Toward 2000

An Economic Development Strategy for New Brunswick

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Introduction

With a new century less than a dozen years away, great social and technological change is underway that has profound implications for New Brunswick. Among the most important is the fact that this province has a genuine opportunity to achieve real and self-sustaining economic growth. A new generation of entrepreneurs has arisen, people willing and prepared to take a chance. There is a new spirit of self-reliance among our people and a sense that we have in New Brunswick a social and physical environment that can offer the best of all worlds. And there are changes in trade, transportation and technology that are causing old deterrents to development to disappear, and allowing new opportunities to emerge.

It is amid this atmosphere of significant change that the Government of New Brunswick introduces the *Economic Development Strategy* that will outline goals and initiatives to carry us forward to the year 2000. At the heart of the strategy are six basic thrusts:

- Invest in our people and their readiness for the economy of the future.
- Actively promote entrepreneurship and small business development.
- Strengthen our infrastructure and achieve the best-possible climate in which to invest.

- Preserve and enhance our environment and natural resources.
- Achieve equity in regional economic development efforts.
- Recognize our distinctive New Brunswick identity and project it to the rest of the world.

We recognize that New Brunswick's people are its best resource, and it is around them, their needs and aspirations, that we have built our strategy. We know that New Brunswickers, by virtue of their dedication and commitment to this province, are the ones most determined to boost its economic fortunes. And, equally important, we know we must do all we can to equip our people so that every citizen can enjoy the dignity that comes from making his or her contribution through meaningful work, entrepreneurial risk, and creative endeavour.

To seize the opportunities that await us, we must ensure that our people are ready, properly educated and trained. Our business development programs must be sharply focussed, our infrastructure adequate and in place. We must adopt a fundamentally different attitude about the relationship between economic development and the environment, recognizing that if we gain today by compromising our natural resources, which are the basis of our economy and our attractiveness as a province, we shall most assuredly lose tomor-

row. Instead we must embrace the concept of sustainable economic development, which delicately balances the need to create new jobs with the equally important role of protecting our natural resources and environment so that in the future our children can have jobs and enjoy a good life. And we must be equally diligent in ensuring that New Brunswickers in all parts of the province share the growth and prosperity that can be ours in the years ahead.

We believe that we can create here a society that is the envy of North America, a modern technological society amid a clean and healthy environment. To do it, the government and the people must forge a partnership. Together we must assume a joint responsibility for the future of New Brunswick and nurture a climate of trust, pride and confidence, with government leading by example — in financial management, labour relations, environmental stewardship, compassion for the disadvantaged, and other areas.

For, in the final analysis, it is how we feel about ourselves that will determine how successful we are in meeting the challenges of the next century. We have much to be proud of as New Brunswickers, not the least of which is the fact that, despite the economic hardships and disappointments of the past, we have emerged as a peaceful society.

In Part One which follows, we review our situation in New Brunswick today. And then, in Part Two, we provide the details of our *Economic Development Strategy*.

Centuries ago, our founders pursued a dream when they chose to create this province out of the wilderness. Now it is time to dream again in New Brunswick, to consider our possibilities, and to believe in them, to invoke the spirit of our founders, and to feel again the faith and confidence they felt about this place. But, in so doing, also to tinge our dreams with reality, to recognize what we are now, and what we can realistically be in the future, to understand that our destiny lies not in attempting to duplicate some other part of the world — but rather in building upon the assets and resources that are uniquely ours.

So saying, we introduce our *Economic Development Strategy* with pride in ourselves and confidence in the future of New Brunswick. ❑

New Brunswick Today

New Brunswick in the Present

To chart a course for tomorrow, we must first understand where we are today.

New Brunswick's economy is largely dependent on exports, especially food, energy, minerals and forest-related products. Our products are sold throughout the world, but the U. S. market is predominant, buying two-thirds of all our exports. In 1987, the largest single commodity export was woodpulp, followed closely by newsprint and petroleum products. Electricity was next in terms of export value, followed by shellfish, fertilizers, minerals and lumber. Together these made up over 80 per cent of our total 1987 commodity exports of close to $3 billion.

With an active economy, New Brunswick is, for many, the perfect place in which to live and raise a family. These are people with jobs and incomes sufficient to allow them to appreciate and enjoy the province's rich heritage, two linguistic communities, and splendid natural environment.

Yet there remain great challenges for New Brunswick as a province, with one in seven of our population living below the national poverty level; 10 per cent living on social assistance; two-

thirds of the heads of households on social assistance having less than a Grade 10 education; 17,000 young people between the ages of 15 and 24 being unemployed; half of the youths entering the labour force doing so without completing their studies.

Poverty manifests itself as a social problem. But it is really an economic issue. What New Brunswick must do is provide new opportunities both for the educated and the less well-educated. It is a prospect which offers tangible benefits for both groups.

Recent Economic History

After the severe recession of 1981-82, New Brunswick's economy has rebounded as part of a continent-wide trend. Nationally, Canada has had six consecutive years of economic expansion, outperforming other large industrial countries in employment and output growth. Over this same period, New Brunswick's growth in gross domestic product has averaged 4.5 per cent, compared to the Canadian average of 4.2 per cent, and there has been a marginal reduction in unemployment.

The goods-producing sector of our economy has been growing, partly because of a strong export trade, especially in forest products, energy, and fish. A new $225 million coated-paper mill in Newcastle has contributed substantially to forest product exports, while electricity and petroleum products have accounted for most of our energy exports. Overall, our exports in the last five years have had an average growth rate of 15.5 per cent, nearly double the national average.

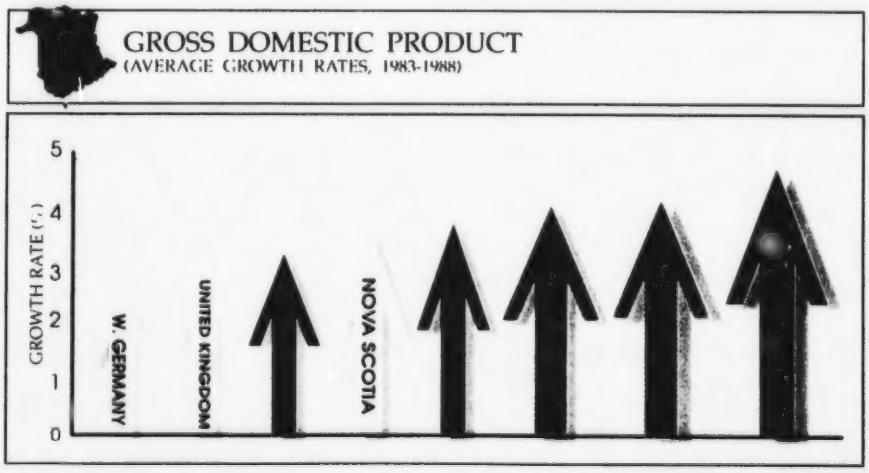
Agricultural production increased moderately in the 1980s even with a 12.5 per cent decline in the overall number of farms. In 1988 farm output totalled $254 million. There are some 2,000 commercial farms in the province, providing about 7,000 direct jobs in primary agriculture.

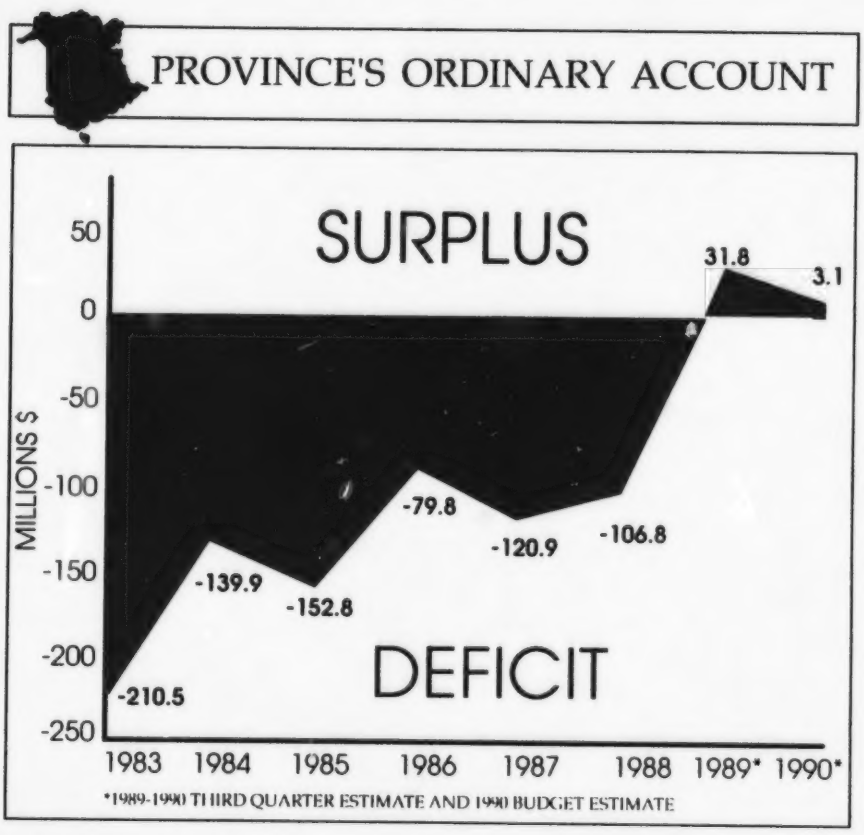
The condition of New Brunswick's mining industries has improved dramatically since the early 1980s, and in 1987 mineral production was valued at more than $700 million, a 40 per cent increase over the previous year. The province's two potash mines are also producing at near capacity.

In recent years, much of the capital investment in New Brunswick has been in construction and redevelopment of new and existing mines, modernization and expansion of the pulp and paper industry, and revitalization of the housing market. Since 1981, government and institutions have accounted for about 23 per cent of total capital investment, while housing, which accounted for 11 per cent of capital spending in 1981, has recovered significantly from the high interest rate era and was responsible for 21 per cent of the total in 1988.

Our Fiscal Situation

The nature of our economy has an impact on provincial spending, revenue and debt. Because of lower incomes and





higher unemployment, New Brunswick must contend with relatively heavier demands for income assistance than more affluent provinces. To help overcome the unemployment problem, the provincial Government spends a significant amount of its resources on short- and long-term employment creation programs.

On the other hand, expectations about government services like health care and education are based on perceptions of national standards, especially in the past decade. The same situation applies to wage levels. Regardless of the resources available, there is a great deal of pressure to match the level of service and pay scales established to a large extent in more prosperous jurisdictions.

Because of our lower incomes, New Brunswick has a taxing capacity that is only about two-thirds of the Canadian average. In recognition of the fiscal problems which less wealthy provinces face, the federal Government provides equalization payments which are intended to allow these provinces to provide comparable levels of services to those in the wealthier provinces. To a large extent equalization meets its objectives, although the program still needs improvement. It is by far the province's most important source of revenue, equivalent to the total amount of money the province receives from sales tax, gasoline and motive fuel tax and corporate income tax. The budgeted revenue for 1988-89 was $3.3 billion.

Revenues tend to follow the trend in the economy. When economic growth is strong, revenues usually follow suit, and deficits decline. Recessions mean little growth in revenue and, as a consequence, deficits are likely to increase.

The pattern of economic growth over the past decade has posed several problems for government. New programs were put in place during the late 1960s and early 1970s when economies were growing very strongly and government revenues were robust. Neither public expectations nor government planning responded quickly to the changed economic circumstances of the late 1970s and the 1980s.

The trend to growing deficits was made worse by the 1981-82 recession and gave rise to so-called "structural deficits" — deficits not automatically eliminated by an ensuing economic recovery.

At the end of the fiscal year on March 31, 1988, the provincial net debt stood at about $2.92 billion. Projections indicated that,

if no progress were made, it could reach $4 billion by 1992. Moreover, the amount of money required to pay the interest on the money we borrow has grown from $167.5 million in 1981-82 to $415.2 million in 1987-88. This represents 9.3 per cent of the total operating budget in 1981-82, compared to 13.3 per cent in 1987-88.

Faced with a major challenge in restoring New Brunswick's financial health, the Government concluded that it had to come to terms with the province's growing debt. The first step was to reduce borrowing and slow the rate at which the debt was growing. This was achieved in two ways: first, the ordinary account deficit was sharply reduced, thereby lowering the amount of borrowing to pay for day-to-day spending on services; second, capital spending was reduced, thereby cutting back on borrowing for this purpose.

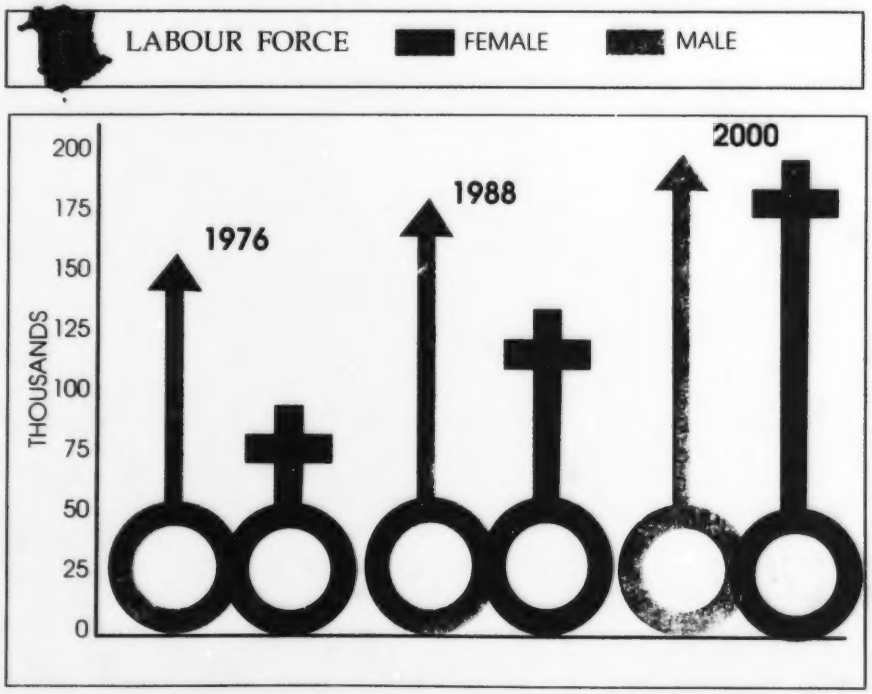
In the past year, considerable progress has been made. The ordinary account deficit has been reduced dramatically from a year ago, and the ordinary account is expected to show a surplus for the 1988-89 fiscal year. By means of sound economic management, the Government is endeavouring to control the burden of interest payments and free up money for better programs and services for the people of New Brunswick.

Unfortunately, even these considerable improvements have not been enough to halt the increase in the province's net debt. The increase in 1988-89 is about one-third of what it was in 1987-88, but the debt is still growing. In 1989-90, the increase in the new debt was budgeted at $133 million, still well below the average increase for the decade of $243 million. New Brunswick's debt problem was created over a number of years. It will take several years of aggressive fiscal management to return our interest payments to an acceptable level.

Population and Labour Force Trends

For the past several years, New Brunswick's population has been growing at a rate below the national average. That trend is expected to continue over the next decade, so that by the year 2001 our population will be slightly more than 736,000, compared to 710,400 in 1986.

Recent trends in the composition of the population will also continue. The number of children in the 0-14 age group has been falling for more than a quarter-century; it will be 133,000 or just over 18 per cent of the population in 2001. This will reduce school



enrollments and change the demand for recreation and other personal services.

Similarly, the 15-24 age group, which has been the largest segment of our population, will return to its early 1960s level of fewer than 100,000 people by 2001. Accordingly, post-secondary educational institutions are likely to undergo a relative shift toward training or retraining mature students with extensive labour-force experience. There may be a shortage of entry-level workers.

The 25-64 age group will represent 55.3 per cent of the population by 2001, giving New Brunswick a mature, more experienced labour force as our economy develops and diversifies. There will, however, be an accompanying need to upgrade knowledge and skills as markets and technologies change. And the growing size of this group will put increasing demands on personal, health, leisure, and other services.

Finally, although the growth rate of the segment of the population that is 65 or over will slow after 1991, this group will nonetheless account for 13 per cent of the total, or 97,000 people, which is more than double their numbers in 1961. The elderly will need health care, but their considerable purchasing power will also mean growing demands for leisure and personal services.

A few additional observations about population trends: the youngest and most senior part of the population — those in the 0-14 and 65-and-over age groups — has been declining and will amount to slightly less than one-third of the total population by 2001. The ratio of dependents to persons of working age will decline to 45 per 100 in 2001. Household and family patterns will also continue to change. In the past 25 years, the number of people living outside family households has increased to where today they comprise 12 per cent of persons in households. The number of two-parent families has dropped, while the number of single-parent families has increased to where they now account for more than 13 per cent of all families. The average number of children per family has dropped from 2.3 a quarter-century ago to 1.4 today.

As for New Brunswick's labour force, it will continue to grow in the 1990s. Totalling 318,000 in 1987, the labour force will amount to 374,000 by the year 2000. This growth, however, will take place amid changes in the labour force's make-up, notably the influx of female jobseekers. By the turn of the century, there will be an almost equal number of men and women in the labour force.

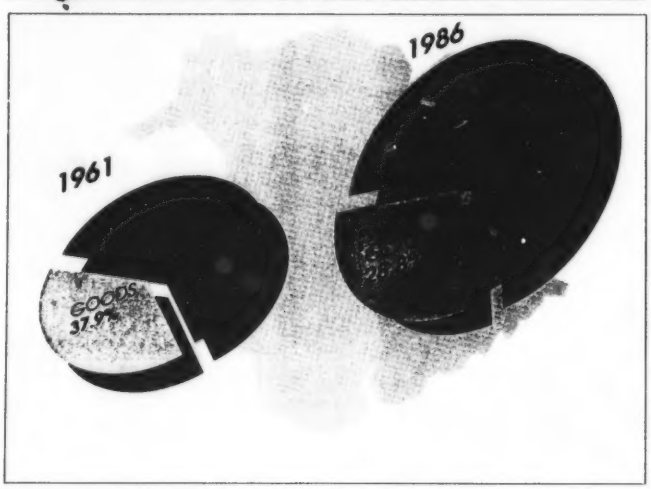
A View of the Future

With an export-oriented economy, New Brunswick will have its growth in the 1990s linked to the economic health of our major trading partners: the United States, Japan, and the European Economic Community. The outlook for these countries is for moderate economic growth over the next several years.

The prosperity of the New England and Mid-Atlantic States will continue to be important to New Brunswick. In recent years, roughly 55 per cent of our exports, including petroleum products, electricity, and lumber, went to these markets. Their economies are expected to continue to grow in the next decade, although at a somewhat reduced rate from the 1980s, and their per capita incomes are expected to remain the highest in the U.S.

The Canada-U.S. Free Trade Agreement offers New Brunswick substantial opportunities. As

EMPLOYMENT IN
SERVICES VS. GOODS SECTORS



tariffs are completely eliminated during the 1990s, many of our input costs to the manufacturing process will decline and make us more competitive. We shall also have greater opportunities to add value to our resources.

The latter will be especially important to forest industries if shortages in wood supply develop: these industries could still make gains by further adding value to products now being exported in semi-processed form. The food-processing and mineral industries could do the same thing.

With emphasis on environmentally-sound practices, agriculture has the potential to expand in several areas. A particular opportunity to increase our agricultural production is in the horticultural industry, where a concerted effort could result in an annual production value of $140 million by the end of the century.

A promising newcomer to fish production is aquaculture. Some 30 salmon farms are now established in the Bay of Fundy, and their 1988 production was expected to exceed $40 million. Salmon has the potential to become the single largest contributor to our fisheries production.

The 1990s will see a shift to a more diversified economy. Service industries are already the largest and fastest-growing sector of our economy, employing three-quarters of our labour force and accounting for 65 per cent of our real domestic product, and the trend is expected to continue as demand for business, health and personal services grows. This is consistent with world-wide patterns: the new information industries, business services, personal and leisure services are all increasing because of a changing world economy. As part of this, annual tourism expenditures in New Brunswick have reached almost $500 million.

Technology will be increasingly important to economic development in the 1990s. Although much of the post-war growth in North America has been derived from technological change and education, New Brunswick has lagged behind in R & D expenditures, generally spending less than 40 per cent of the national average.

As companies strive to compete and use advancing technology to increase productivity, they will create less labour-intensive work. Certain occupations will be in high demand, however. These include: chemical, electrical and mechanical engineers; pharmacists; speech, audio and occupational therapists; physiotherapists; laboratory technicians; food and beverage industry workers; welders; sheet-metal workers; tool and die

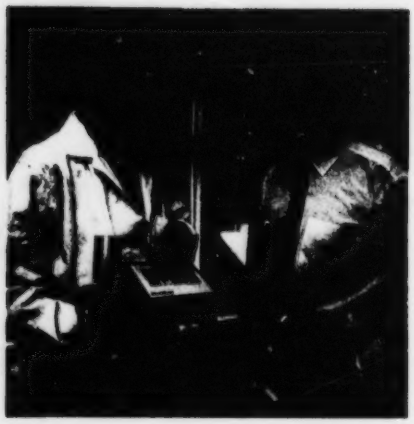
makers; electricians, plumbers, and insulation workers; engineering technologists and technicians; industrial mechanics and boilermakers. It is significant that all of these are education-intensive occupations, requiring some degree of specialized skills and/or training. Personal income, meanwhile, will slowly increase toward the national average. Still, transfer payments will remain an important source of provincial revenues.

Small firms will produce the largest share of new jobs in the 1990s. They already create more than half of the new jobs in the country as a whole, and in New Brunswick during the 1980s provided most of the growth in manufacturing jobs, while larger firms either remained static or lost employment.

One reason this trend will continue is because firms will improve efficiency by contracting out certain operations previously performed in-house. This produces growth in the business services sector, which is largely composed of small firms. Another reason is that some firms have chosen a growth policy based on the formation of new subsidiary companies rather than continued expansion of the old firm. And a third reason is that most new employment growth comes from small businesses, many of them run by new entrepreneurs.

Several large projects are currently in the planning or study stages which could have a major impact on construction activity over the medium term. Among these are upgrading the Trans-Canada Highway and arterial highways, possible construction of the fixed link with Prince Edward Island, and building several electric generating plants.

The highways upgrading program alone, which includes the Trans-Canada Highway and other provincial arterial highways, is estimated to cost approximately $2 billion and could have an important impact on our economy and employment throughout the 1990s. It will require substantial federal funding but could create an estimated 20,000 person-years of direct construction jobs while providing New Brunswick with a first-class network of provincial arterial highways, which are the backbone of the provincial road system and play a key role in general commerce. They affect overall social and economic development on a provincial, regional, and



national scale. New Brunswick is strategically placed with regard to traffic flow, serving as gateway to the other Atlantic Provinces, Central Canada and New England. Traffic volume on many of our arterial highways, particularly the Trans-Canada Highway, has increased to the point that upgrading is essential. The role of the Trans-Canada Highway as a trucking corridor has increased greatly in the 1980s, and is likely to increase even further because of proposed large-scale rail abandonment and greater trade with the U.S.

In summary, New Brunswick will face many challenges in the 1990s — but none more compelling than the challenge of taking advantage of the opportunities that will come our way in the years immediately ahead. ❑

Toward 2000

Our review of the current economic situation in New Brunswick has demonstrated the overall positive state of the provincial economy and identified areas for further development and progress. In the remainder of the document, the six major thrusts of our economic development strategy to the turn of the century will be outlined. Each section includes a general discussion of the issues and an outline of the guiding principles we are applying in this area. It also details the specific measures we intend to take.

The principles and development goals are those which will guide us to the year 2000. "Our Agenda for Action" is placed at the end of each section and sets out many of the actions and programs in that area of the strategy. There are many other Government programs which are ongoing even though they are not specifically mentioned in the Agenda for Action. For the most part, the specific initiatives in the Agenda for Action make up a short-term plan, to be completed in one to three years. As the Government proceeds on this agenda, further specific measures will be presented.

As we move forward with this economic strategy, we do so in confidence that men and women, both young and old, and in every region of the province, have the opportunity to participate in an exciting future for our province.

The Six Economic Thrusts

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Preparing Our People

The Best Investment We Can Make

Ultimately it is the talent, skills, abilities, ambitions, and efforts of our people that will carry us toward a more rewarding, productive and fulfilling future. The New Brunswick children now in their first year of elementary school are the graduating class of the year 2000. Their formative years, and their subsequent training in our community colleges, universities, and industry, will be crucial to their well-being and to the economic well-being of our province. Ensuring that they are well prepared is the best investment we can make.

Education and training must serve two basic needs: the social need to ensure that individuals achieve a certain intellectual and cultural level; and the need to support an economically productive society. As a Government, we intend to do all in our power to give New Brunswickers the widest range of opportunities to pursue their individual and collective ambitions. We shall continue to emphasize literacy, written composition, numerical reasoning and problem-solving. Not only are they vital for a full and active life, but they are basic to participation in the economy. The public school environment must also reflect the increasingly technical nature of our society so that students are adaptable to it.

Meantime, we shall be expanding our efforts to reach more New Brunswickers, including those who may be, at the moment, only marginal participants in the economic and cultural life of the province. And we shall initiate programs to incorporate entrepreneurial training in our curricula and to prepare our people for the jobs of tomorrow.

THE GUIDING PRINCIPLES

1. Our education system must continue to deliver quality basic education as a foundation for life. It must also prepare our citizens for the workplace through emphasis on core skills and specific market-oriented and technical-vocational skills.

2. Our training system must be flexible enough to adapt to employee-employer requirements and the changing demands of the market place.

3. Our education and training system must be made accessible to all New Brunswickers, so that all of our citizens may participate fully in the province's economic life.

Looking to the Future

As we approach the end of the 20th century, a number of trends are evident:

- Information and technology are being integrated into our economic life at an accelerated rate.
- New jobs are occurring increasingly in the services and information sectors.
- Lifetime careers in one specific occupation are becoming rarer.
- Because of communications and transportation, commerce is becoming increasingly global.
- The average age of the workforce is increasing, and women account for an increasing proportion of the workforce.

Forecasting the precise nature of the jobs of tomorrow is not easy. But experience has taught us that those individuals with strong basic skills can and will qualify for the new jobs that a changing society creates. Accordingly, our institutions must continue to provide a strong core of basic skills and vocations to the people of New Brunswick. At the same time, more effort must be devoted to detecting changes in labour force needs and adjusting training programs so that job opportunities do not go unfilled because available workers lack the necessary skills.

In particular, we must encourage the participation of women in technical training programs to the greatest extent possible; this is vital if demographic changes are not to result in a skilled labour pool insufficient to realize expected opportunities.

Retraining programs and increasing use of on-the-job training in industry will be a priority, as will the increased use of co-op models to develop marketable skills.

Participation by Women

Demographic and labour market statistics show that women, as a group, constitute one of the most significant forces behind the potential for economic development in the province. In employment growth alone,

women accounted for nine-tenths of the employment increase in the period 1981-86.

Because of this, the strategy for economic development recognizes the particular needs of women to ensure that there are no systemic barriers to their full participation. The Government recognizes that it must develop specific initiatives which respond in a flexible and sensitive fashion to different gender needs. This approach will promote the fullest possible labour force participation and business creation by women.

To this end, the Government will address the particular needs and concerns of women in all policies, programs and services established to promote economic development in New Brunswick.

Reaching All New Brunswickers

It is important to New Brunswick's overall well-being that education and training are available to all sectors of the population, including the chronically unemployed, the disabled, and the disadvantaged. Our Government will expand efforts to identify, educate, train and retrain these people so that they may be drawn into the mainstream. We are committed to equity and accessibility in providing necessary skills.

In New Brunswick today, one person in seven lives in poverty. This amounts to 110,500 people, a substantial number of whom are children. It is a situation that is simply not acceptable.

While financial support programs have historically satisfied the humanitarian imperative to provide basic needs such as food and shelter to all members of society, concern has been growing recently that these traditional supports tend to treat the symptoms of poverty, not the underlying causes. The reality is that poverty is an economic issue, and increased income is vital if poverty is to be overcome. The source of income is more and better employment.

The problem is both serious and immediate. Its solution requires innovation, commitment, and sustained financial strength. It can only be achieved if the disadvantaged themselves participate willingly. Investment in education, in its widest sense, is the cornerstone of our economic strategy. Our goal is to give those in financial need a chance at greater self-sufficiency. One of the surest ways is by joining the labour force. Accordingly, we shall direct a major effort toward helping the poor to enter or re-enter the job market. In so doing, we shall begin to eliminate the multiple barriers people face in trying to achieve self-sufficiency and the dignity which comes from doing meaningful work.

The Government is mindful as well of the role of comfortable, affordable housing in ensuring a secure and stable environment in which to live and work. We shall address the need for greater access to affordable housing for

those who require it. We concur with the observation of the recent Housing Task Force that "human and economic development requires a holistic approach which integrates all elements related to the achievement of individual potential, such as housing, financial stability, education and training, and the development of self-esteem." The satisfaction of basic needs, including housing, is central to meeting our economic development goals.

Equality of Opportunity

For all groups and individuals in our society to achieve equality of opportunity, special programs and initiatives will be required. We are committed to taking measures that will further remove discrimination in the workplace by eliminating barriers, expanding roles in non-traditional occupations, and encouraging an atmosphere that is sensitive to particular circumstances. Pay equity efforts, affirmative action, and equal employment opportunity programs will be strengthened as a model for all provincial employers. In addition, a detailed timetable will be formulated for implementation of the province's official languages policy. ❑

Our Agenda for Action

To help all New Brunswickers prepare for the job requirements and economic growth of the future, the Government plans educational and training initiatives on several fronts. They include the following:

1 Early Childhood Education

Recognizing the fundamental importance of the early years in a child's development and education, the Government will introduce measures designed to improve the opportunities for disadvantaged children. Research has shown that up to one-third of our students, mainly from disadvantaged families, experience difficulty as they begin their public education, and a discussion paper will present policy proposals in this important area. In addition, the Government is committed to reducing the student-teacher ratio in our schools, especially in the lower grades.

A key Government agency to safeguard the interests of the very young is the Office of Early Childhood Services in the Department of Health and Community Services, which will establish standards and develop policies of benefit to children.

The Government also plans to study and debate the issues faced by the school system generally in organizing and delivering basic educational services. The implementation of high school reform and integration are major immediate issues. The aim will be to increase the effectiveness of our educational efforts.

2 New Brunswick's Youth Strategy

In late 1988, the Federal and New Brunswick Governments jointly committed more that $70 million to a three-year program to help youths qualify for permanent jobs. This massive undertaking, called the Youth Strategy, is now in the early phases of implementation. Designed for youths aged 15 to 24, the strategy will help young New Brunswickers make a successful transition from school to work by ensuring that they have access to the necessary knowledge and skills.

Across the province, 10 Counselling and Assessment Centres are being established.

When fully operational, they will be an entry point for some 10,000 youths annually and will offer a comprehensive range of services based on individual needs and preferences. Services will include vocational assessment and career planning, opportunities for literacy training and upgrading, skills and entrepreneurship training, on-the-job training and work experience. Assistance with childcare and transportation will be offered to those who need it.

3 Staying in School

Because studies show a clear connection between education and employment, and because in our province approximately five per cent of students drop out of Grades 7 to 12 annually, an important element of the Youth Strategy will be programs to encourage youths to stay in school as the best foundation for a secure economic future. This is done in recognition of the fact that most jobs in the future will require some form of training beyond high school.

4 Literacy Program

Economic development and growth do not guarantee easy access to jobs. If individuals have poor educational and literacy skills, jobs may continue to elude them even amid economic growth, and all the more so in a technologically complex society.

The reality in New Brunswick today is that 24 per cent of our adult population has less than a Grade 9 education, and 52 per cent has not completed high school. Recognizing the crucial link between literacy and employability, our Government plans to ensure that opportunities exist to improve the situation of those who lack a basic educational foundation.

In the current year, our Department of Advanced Education and Training will spend more than $4 million in the general area of upgrading, providing a range of basic educational programs. Included are basic training for skills development, pre-technology programs, basic education given at night school, basic academic training through correspondence, and literacy programming.

With respect to literacy, which is the foundation of further educational upgrading, literacy co-ordinators and instructors in each of our community colleges will continue to plan and deliver basic programs. As well, we shall maintain our support for the work being accomplished by the literacy councils throughout the province and seek cost-sharing support from the Government of Canada.

For those who wish to complete a basic education, academic upgrading will continue to be offered free of charge in New Brunswick's high schools and community colleges. And we shall continue to be active and eager participants in the federal Government's National Literacy Program.

5 FOCUS Program

Today New Brunswick has 68,000 people on social assistance. Among this group there will always be some who, for reasons like poor health, will be unable to generate enough income to meet even their most basic needs. We recognize our ongoing responsibility to assist these people to live their lives in dignity.

For those on social assistance capable of productive work, the FOCUS program delivered by the Department of Income Assistance offers a range of services and supports to help them enter or re-enter the job market. The services offered include literacy and academic upgrading, skill training, on-the-job training and placement, job search, subsidized employment, and assistance for those seeking to become entrepreneurs. Supports include help

with childcare expenses, transportation costs, and on-the-job necessities such as tools and work attire.

The FOCUS program recently received $14 million in new funding from the provincial and federal Governments. This commitment demonstrates the combined will of both levels of government to assist participants to work toward a self-reliant and independent future. Moreover, we plan to add a more flexible range of bridging mechanisms and required support services to our existing upgrading and training programs as incentives to assist people in making the transition into the permanent workforce. These could include extended health benefits, more flexible earning exemptions, job entry assistance, and supplementary aid such as relocation assistance. Meanwhile, in the current year the FOCUS program is expected to help more than 3,000 people.

In keeping with the FOCUS approach, the Government has also introduced a major new program, the Opportunity Corps, to provide opportunities for income assistance recipients to obtain employment. The program has a conservation and a community component, the former offering employment in such projects as water course protection, reforestation, and silviculture. In its community component, the $10-million program will enable income assistance recipients to obtain employment in the education system, public libraries and other public institutions.

6 Building an Entrepreneurship Curriculum

One of the basic skills evident in a productive society is the ability of its citizens to be entrepreneurial; and one of the ways this skill can be imparted to New Brunswickers is by having our educational institutions incorporate this element into their course work. Primary and secondary schools, community colleges and universities can all expose their students to the role and contribution of entrepreneurs to society and to the basic skills required by an entrepreneur to establish and operate a small business. The new Small Business Directorate in the Department of Commerce and Technology will work in co-operation with educators at the various levels and seek the necessary funds to have all of our educational institutions participate.

7 Flexible Training and Skill Upgrading

Flexible training and retraining must be provided for our employees and employers. We must be prepared to retrain workers not only in firms that require new skills because of market changes but also in those instances where rapid change is forcing widescale unemployment. Through the Industrial Adjustment Services program, the Department of Labour, the Department of Advanced Education and Training, and the Canada Employment and Immigration Commission will assist in retraining and re-employing workers in the case of major plant failures. Industry-wide changes will be addressed by major efforts at the ministerial level. Measures to address the rapid changes affecting the logging industry, for example, are being coordinated by a special provincial ministerial committee.

Training our entrepreneurs to operate small businesses requires great flexibility in our programs. While many benefit from existing short training courses and seminars, more could benefit from in-plant or home training. In future, our programs will increasingly use this flexible approach, with hands-on training and the use of packaged material such as video course-ware to strengthen areas of deficiency.

This outreach approach will enable entrepreneurs to take advantage of training opportunities on their own time schedules.

8 Easier Access to Training

We intend to apply greater effort to making training available to those who have the most difficulty accessing it; these are, after all, the people who most need training to enter the work force. Our community colleges have introduced day care on some campuses to allow better access to prospective students with children. And innovative methods for delivering training — distance education, for example — will be examined as another aspect of our commitment to improving people's access to training.

9 Monitoring and Coordinating Our Efforts

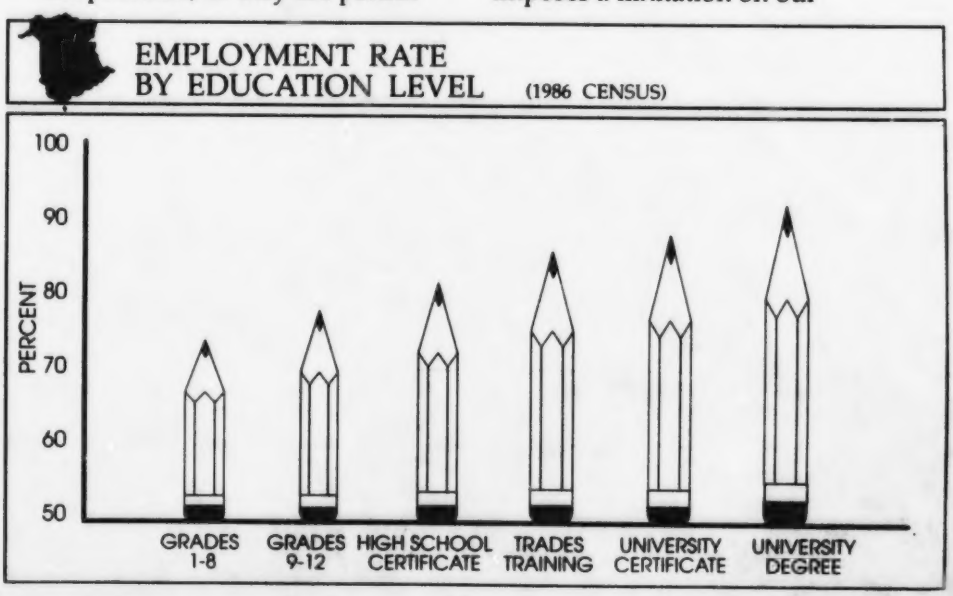
Our Government believes that preparing our future generations is one of our most important tasks if we are to remain a caring and productive society. To give this task high and continuing priority, we will establish a permanent ministerial committee on human resources, representing appropriate departments, to coordinate government initiatives in education and training related to economic development. This committee will ensure that our efforts and initiatives are sensitive to the changing social and economic conditions and provide maximum benefit for the resources we allocate.

10 Making Unemployment Insurance Policies More Flexible

Unemployment insurance plays a major role in supporting trainees in New Brunswick's post-secondary education system. These trainees are either referred to seats in regular and skill-upgrading programs, which the federal Government buys from the province, or they are permitted to pay tuition for these seats. Either way, trainees are deemed eligible for benefits and exempted from active job-hunting for the duration of the training.

Our Government intends to work with our federal counterparts to expand the range of opportunities for the unemployed to take academic upgrading, training, and re-training without losing unemployment insurance benefits.

Since introduction of the Canadian Jobs Strategy in 1985, the number of purchased seats in training programs has declined markedly. The number of feepayers, that is, people paying their own tuition, has increased. But feepayers can only obtain readily available seats in existing programs and are ineligible for academic upgrading — which imposes a limitation on our



ability to equip our people properly for the evolving job market.

There are a large number of adult New Brunswickers in the labour force who lack high school graduation or its equivalent — nearly 280,000, according to the 1986 census. This creates a further challenge to adapt to technological change in the workplace. The province has shown leadership nationally in addressing the challenge of illiteracy, and has been joined to some extent by the federal Government in these efforts. But there are still many New Brunswickers who are literate but have not completed Grade 12. For these people to retrain or acquire the skills necessary to advance in the workforce, they must complete their basic education.

The principal flexibility we are seeking from the U.I. system is the retention of benefits while taking academic upgrading. Clients, particularly seasonal workers, should be able to do so without having to adhere to the normal requirement of being available for work.

The same flexibility should be accorded more qualified clients who wish to take a particular skill program for which a provincial seat is available. If adequate numbers in a specific location wanted a particular skill program (either to acquire a first skill or to retrain), an additional service could be offered. Again, significant part-time commitments would be required but could include university credit courses.

While recent announcements indicate some receptivity on the part of the federal Government to our position on flexibility, it is as yet unclear whether anticipated changes will be applied in a way that is consistent with our objectives. Our government will continue to impress upon the federal government the logic of using the unemployment insurance system to create opportunities that will allow the unemployed workforce a greater chance at training and retraining for better employment in the future.

11 Maintaining a Productive Workforce

Alcohol and drug dependency has a destructive impact on an individual's personal, family, social and economic life. The Alcohol and Drug Dependency Commission has become skilled at the delivery of employee assistance programming, to the extent that the private sector is increasingly seeking the commission's expertise.

Accordingly, the commission will increase its availability to private sector clients for consultation or seminars relating to the development of employee assistance programming. In this way, we plan to continue to work together effectively to reduce both the personal and economic tolls associated with absenteeism and lost productivity.

12 Health and Safety on the Job

Like our natural environment, our work environment must be conserved, too. There are 3500 New Brunswickers who were once gainfully employed but who now have been permanently removed from the work force because of work-related accidents, illnesses, or diseases. These same factors temporarily displace 12,000 workers annually.

Our Occupational Health and Safety Commission will continue to work with employers and workers to prevent work-place accidents and illnesses. Amendments to the Occupational Health and Safety Act will ensure immediate enforcement of orders issued under the Act.

13 Raising the Minimum Wage

To improve incomes for the working poor and encourage people to participate in the workplace, this Government decided to increase the minimum wage by 25 cents to $4.25 per hour in April, 1989, and it wil' be raised again to $4.50 per hour in October, 1989. Beyond that, we shall make every effort in the coming years to continue with periodic increases. In addition, we must examine other types of support which low-income wage-earners will need to allow them to remain in the workplace.We are mindful of the need to ease the economic pressures felt so acutely by the working poor. ❑

Small Business and Entrepreneurship

A Dynamic Small Business Economy

As New Brunswick moves toward the 21st century, small businesses and a new and different generation of entrepreneurs will drive our economy more than ever before. Naturally, large-scale initiatives will continue to have a major impact on our economic health. But our long-term future economic prosperity will only be assured if we carefully foster a dynamic small business economy.

More than simply recognizing this, however, we must take hold of our economic future and ensure that it is managed as we want it to be managed.

Entrepreneurship and small businesses can create significant opportunities here and help diversify our economy. Indeed, we believe that much of our future growth will depend on the drive and ideas emanating from a dynamic small business economy. For that reason our Government is committed to establishing the support systems that are essential to present and future entrepreneurs and to a flourishing small business economy.

Among the most tangible advantages of this approach will be a better balance between a branch plant economy and one created by New Brunswickers themselves — the people who, because of their dedication and determination, are most committed to the province's future.

Thus, to the fullest extent possible, we shall emphasize growth from within.

Growth for the Regions

New Brunswick's strength does not lie only in its urban centres, but also in its network of towns, villages and rural communities. We recognize that the future of the people who reside in these communities depends on the degree to which new small businesses develop or locate there.

With that in mind, we intend to actively promote entrepreneurial development and the establishment of new small businesses in every region of New Brunswick. They offer the best chance of equitably distributing economic growth and wealth throughout the province, and of reducing the economic disparity that persists among our regions.

To create a positive climate for growth, the Government must join the private sector in reinforcing the image of New Brunswick as a good place to do business, a place where we are committed to growth and excellence, and whose goods and services can compete in the national and international marketplace. To be successful at this, we must instill and maintain a sense of pride in ourselves and our work. ❑

THE GUIDING PRINCIPLES

1. We must promote entrepreneurship and carefully foster a dynamic small business economy in all regions of the province.
2. Working with the private sector, the Government must enhance the image of New Brunswick as a place committed to growth and excellence.
3. We must recognize the distinction between small and big businesses and develop support services appropriate to each.
4. We must adopt a philosophy of growth through change and ensure that our small businesses adopt and apply technological advances.

The Needs of Small Business

Large firms typically begin as small firms. More often than not, successful entrepreneurs guiding large companies trace their business roots and experience to small enterprises. So, one important role of small businesses is as a nurturing ground for larger businesses.

But some small businesses remain forever small. These are equally valuable to our economic mix and in fact form the major part of New Brunswick's business community. As such, they require careful attention in Government's policies and programs.

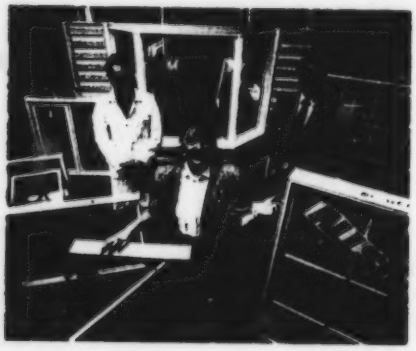
An important distinction is that small businesses are not "little big businesses." With needs that vary significantly from those of larger enterprises, they require specialized treatment. We intend for our Government's policies and programs to reflect the particular circumstances of small business and be flexible to both need and opportunity. As one example, we recognize that small businesses must have access to, and support from, locally based networks of services with which they can work closely and confidently. And we are aware that, only by applying these support systems broadly and recognizing that the needs of small business pervade all sectors of the economy, can New Brunswick achieve its job creation goals.

Encouraging Entrepreneurship

As a Government, we recognize that we must actively support the people and businesses

who fill the vital role of creating jobs.

One way in which we can and shall help is by ensuring that our educational and training systems make the necessary adjustments to prepare our youth for full participation in a small business economy: not only must we have well-qualified employees, but we must create a new generation of employers as well.



Our future economic growth will depend to a degree on the nature and types of labour skills we have to offer. But it will be determined also by the extent to which we are able to marshall our educational resources to instill the value of entrepreneurship as a rewarding endeavour.

Employees and employers both must be given the tools to remain competitive. We are rapidly moving from a have and have-not world to a know and know-not one. Knowledge of new technologies is critical if we are to produce the quality products the new economic environment requires. No industry will be exempt from the effects of world-wide technological change. But if New Brunswickers can accept a philosophy of growth through change, our businesses can convert the new reality into unprecedented opportunity for this province. ❑

Our Agenda for Action

The longer-term objectives of our Government's development strategy will only be achieved by undertaking complementary short- and medium-term actions which can be implemented quickly and adjusted as we move ahead.

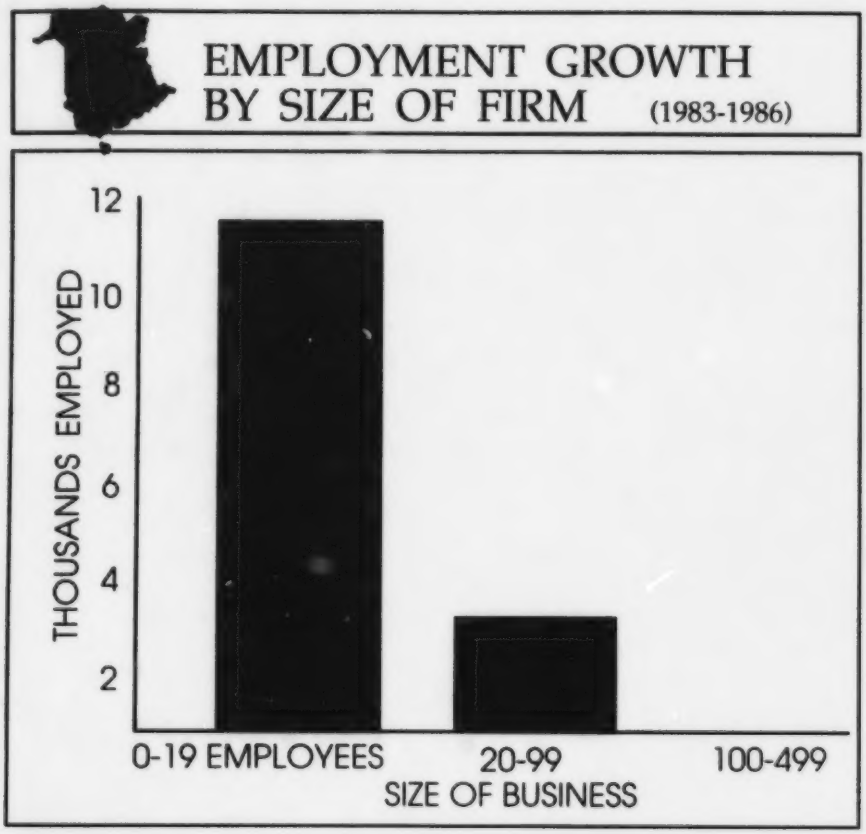
Accordingly, we shall be aggressively pursuing the following initiatives over the next three years:

1 Establishing a Small Business Directorate

Our Government is creating a Small Business Directorate within the Department of Commerce and Technology which will act as the focus for all small business-related provincial Government responses. The Directorate will have the authority and responsibility to coordinate and deliver a variety of policies and programs which address the small business sector. It will also be charged with simplifying programs, creating a comprehensive approach to the sector, and providing greater and easier access to appropriate support for entrepreneurs.

2 Developing a Comprehensive Strategy

We will bring forward a new Small Business Strategy which will review current programming at all levels — federal, provincial, municipal, and private. The strategy will include the Equity Enhancement Program, which will offer a flexible instrument for placing risk capital in the hands of our New Brunswick entrepreneurs; the Stock Savings Plan, which will provide investors with a tax incentive for investing; the Self Start Program, which will assist individuals to find seed capital for new small businesses; and Community Enterprises, which will foster community self-sufficiency and provide incentives to groups to organize investor pools and promote community business development.



3 Regional Opportunity Centres

To bring government services and programs closer to New Brunswickers, Regional Opportunity Centres will be established to provide entrepreneurs with small business program information, and a direct link with program decision makers. These centres will be physically located, where possible, with the Regional Economic Development Commissions. They will act as the regional focus for all government programs related to small business and the development of entrepreneurship, including, where appropriate, program delivery.

4 Strengthening the Regional Economic Development Commissions

The Regional Economic Development Commissions have for many years served as a focus for regional development efforts and have been strongly supported by the provincial Government. To renew our commitment for the commissions, a study was carried out to review their roles and mandate. As a result, we intend to amend our funding policy to include measures that will:

- Ensure a greater representation of the business sector on commission boards.
- Provide a clear definition of their economic development role.

An arrangement was recently concluded between the commissions and the Government of Canada which will provide commissions with an additional $9 million over five years for planning, hiring consulting services and essential contractual staff, and for providing marketing and technical assistance to clients.

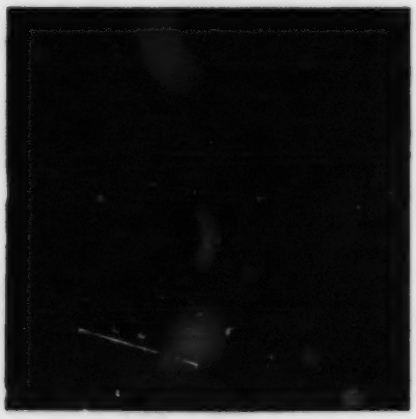
5 A Mobile Consulting Service

A mobile entrepreneurship and opportunities consulting service will be established. Working in support of the Regional Economic Development Commissions and the Regional Opportunity Centres, this mobile service will be available to educational institutions and smaller communities on demand. The mobile unit will be equipped and staffed by counsellors who can provide

information on policies and programs to business clients, and information on education options and the value of entrepreneurship to students and others. This will ensure that as many people as possible know about our programs and have access to them.

6 Expanding Our Programs

Until now, the kinds of businesses eligible for government's small business programs have been restricted. The service sector, for example, despite its emergence as the fastest-growing job creation sector, hasn't been able to qualify for most programs. We intend to change that eligibility. Our Government will expand the scope of our small business involvement to include many service sector enterprises and other wealth-creating sectors, as appropriate.



7 Adapting to Technology

Our progress in technological innovation, through research and development and through technology transfer, will be a strong indicator of New Brunswick's ability to compete. We must therefore promote higher competitiveness among our workers and our small businesses by increasing their awareness and ability to apply advances in technology. Research and development carried out in our major technological institutions and centres of excellence will be aimed at stimulating industrial innovation in New Brunswick. Of particular importance will be the transfer of up-to-date technology to provincial firms, so that our industry has the technical expertise to remain competitive. Our scientific expertise will be applied to enhance the long-term development potential of the province's resources. Meanwhile, training in institutions and in the workplace will prepare our labour force for emerging opportunities and challenges in a world of rapid change, so that the province has the human resource base to capitalize on opportunities as they arise.

A memorandum of understanding has been signed between the Government of New Brunswick, the New Brunswick Research and Productivity Council and the Atlantic Canada Opportunities Agency to revitalize the Council. This will provide $20 million to permit this centre of expertise to acquire new equipment and focus more sharply on the needs of New Brunswick business over the next five years. RPC will have a greater presence and impact in all regions of the province and will make its services available to the greatest number of provincial clients. Further, the province will undertake a specific initiative to encourage and help New Brunswick businesses to adopt quality assurance programs. Quality assurance is a key to penetrating world markets and to participating in high technology industries.

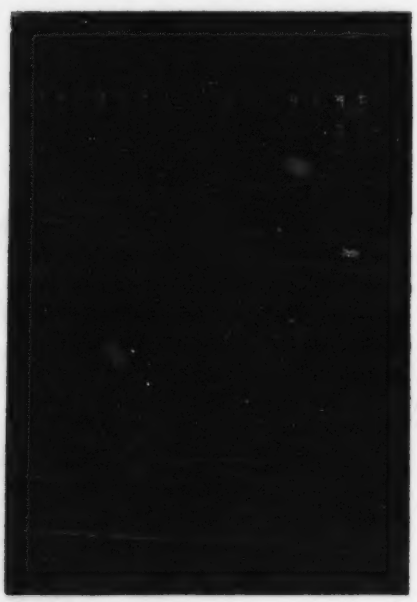
8 Centres of Excellence for Industry

Our Government intends to pursue federal support to assist our universities and other research institutions in developing specialized expertise in forestry, peat, marine biology, aquaculture and food processing as centres of research and development and in the transfer of technology to New Brunswick businesses. We believe substantial opportunities exist in creating these specialized centres of excellence.

There is a growing market in both the public and private sectors for translation service. This market can be the basis for a substantial language industry located in New Brunswick.

There will continue to be a strong public sector demand for translation services. But, in addition, the private sector will increasingly be able to avail itself of professional translators, thanks to cost-shared funding and the industrial development sub-agreement. This, too, will help develop a pool of talent and expertise here in New Brunswick.

To nurture this development, the province will work with l'Université de Moncton in creating a curriculum for a cooperative training program in translation. Over a period of time this program will develop a pool of highly qualified translators and interpreters capable of starting and developing their own small businesses. Supported by technology, these new entrepreneurs can have access to any world market from right here in New Brunswick.



As part of our initiatives in this direction, the New Brunswick Government is currently cooperating with the federal Government to build and develop an international centre of excellence in translation at l'Université de Moncton. The university's proximity to the translation firm, Lexi-tech Inc., coupled with its facility in common law in both official languages, provides a milieu that gives New Brunswick unique advantages in arbitrating international commercial matters or developing technically specialized entrepreneurs.

9 Encouraging Self-employment for the Unemployed

Entrepreneurship offers a viable option to unemployed persons wishing to develop and market their own products and services. Through the new Entrepreneur New Brunswick Program, unemployed persons aged 19 and over are able to apply through their Regional Economic Development Commissions for low-interest guaranteed loans of up to $10,000 over two years. This cooperative effort among individuals, banks and government works to the benefit of all in encouraging the development of viable small business ventures, while at the same time providing the potential for the unemployed to become employers of others.

Our Government will continue to support the creation of new jobs and businesses using this program, which to date has been highly successful: loans of more than $2.1 million have been guaranteed to 236 new businesses; about 520 full and part-time jobs have been created.

In addition, the Government's new Self Start program assists employed individuals who want to start their own business.

10 Paper Burden Review

Recognizing that business persons in New Brunswick often feel overwhelmed by the variety and complexity of forms and reporting requirements involved in dealing with government, we shall carry out a review of all programs in order to reduce red tape for clients to the minimum level for the effective and prudent conduct of business with the public. ❑

Major Projects and Infrastructure

Being Prepared

Large capital projects can produce major benefits for New Brunswick, not only because of the jobs and economic activity they create during construction, but also because of their contribution to our economy and way of life over the longer term. As one example, by requiring certain labour skills during construction and start-up, major projects give the province a singular opportunity to develop new supplies of trained workers who can then provide their expertise on other projects within the province.

Equally important to our development is the infrastructure we put in place: highways, transportation links, communications networks -- these, too, will influence how successful we are. We must also have strong urban communities and a financial environment that is conducive to a developing economy. And we must continue to supply electricity — a strategic resource we have in some abundance — efficiently and at a reasonable price.

Major Projects

Major projects enable us to plan and create a more diversified economy based on entrepreneurship, services, resources and quality of life. A number of significant government projects are planned for New Brunswick in the next decade. By carefully

distributing and scheduling these projects, our Government will ensure that their positive impact assists every region of the province. The ongoing frigate program in Saint John and completion of the major pulp and paper expansion on the Miramichi will continue to create jobs and benefit the economy in those areas. Other major projects planned include:

- Proposed investments to convert the Trans-Canada Highway and other arterial highways to four lanes and upgrade our secondary roads.
- Possible construction of a fixed link connecting New Brunswick and Prince Edward Island.
- Construction of generating stations by the New Brunswick Electric Power Commission.

These projects will create millions of dollars of economic activity and thousands of jobs over the next decade.

Infrastructure

Because of New Brunswick's geographic and economic situation — our population is dispersed over a wide area, and much of what we produce must travel long distances to market — transportation is vital to our development and to that of the other Atlantic Provinces. Our airline carriers, for example, must ensure regular commercial services, a vital part of our ability to conduct business across Canada and throughout the world. Air travel is also increasingly important in modern tourism where the "fly-drive" concept is more and more popular.

Road transportation is especially important. With deregulation and other changes imposing heavy pressure on New Brunswick's road system, it will receive much attention in the next decade. We must invest in major arterials while maintaining satisfactory secondary roads and municipal systems. Moreover, we must do it cost-effectively and with safety in mind, for if we cannot move our goods and services efficiently to market while providing for the safe travel of our citizens, we shall continue to have major impediments to our development. The provincial system of highway bridges will be the subject of attention, so as to carry out needed upgrading in the most rational way.

Complementary to the role of the transportation system, the communications network acts as a key factor in our social and economic growth by eliminating many geographic barriers to development. Our Government will be seeking, in cooperation with the federal Government, to improve our competitive position by increasing our application of the latest communications technology. Of particular interest are systems relating to geographic information, distance education, health services, and industrial applications.

Meanwhile, as businesses become more dependent on each other for goods and services, the viability of urban municipalities is tied ever more closely to economic development. To foster this development, we must build on existing comparative advantages and improve the level of cooperation, specialization and interaction among our urban centres. The various attributes of our municipalities, large and small, provide us with a wealth of potential catalysts for economic development. Support for down-

OUR GUIDING PRINCIPLES

1. We must gain maximum direct and indirect economic benefits from major investment projects.
2. Our transportation and communications networks must be full contributors to our development thrusts.
3. Urban growth is an essential element of New Brunswick's economic development effort.

town development efforts will be an important ingredient. Concurrently, we must promote municipal leadership in initiating and managing economic development opportunities to ensure vibrant, vital communities.

In place of a single dominant urban area, New Brunswick is unique in having six principal cities together with a strong network of towns and villages. All are vital to new business growth and entrepreneurial development. The pattern of provincial population concentration must not become a disadvantage in terms of attracting new businesses and investment.

Balanced economic growth to the benefit of all regions will require support for smaller municipalities while an identifiable base of complementary activities is developed in the principal urban centres.

The Levers of Government

Government is both New Brunswick's largest employer and its largest purchaser of goods and services. Since the various segments of our economy must support each other, it is important government's policies and practices create opportunities for New Brunswick firms. At the same time, government's own operations should not compete with legitimate private enterprise. We must watch continuously for realistic opportunities for privatization and contracting out.

Government also contributes indirectly to economic development by creating a climate of security, stability and even-handedness within the province. With one of the lowest crime rates in Canada, the province is an attractive place for investment. We shall continue to ensure that our laws are just and consistently enforced so that we continue to be a peaceful and secure community where the rights and safety of citizens and property are assured.

We shall continue to undertake successful joint ventures with the federal government, and to ensure that opportunities for new bilateral cost-shared arrangements are fully exploited. We shall also seek ways to increase our funding base for development by pursuing joint ventures with private sources of capital. ❑

Our Agenda for Action

As major provincial projects are developed, our economy will grow because large investments like these create substantial new opportunities for our people and businesses. To ensure these opportunities are realized, our Government plans the following steps:

1 Lasting Benefits for New Brunswick Companies

To help New Brunswick companies participate in major capital projects, an Industrial Benefits Group in the Department of Commerce and Technology has been put in place. This group will encourage sponsors of major projects to consider business opportunities for New Brunswick companies and to negotiate offset agreements for this purpose. We intend to investigate all types of benefits: contracting, supply of goods and services, and investment. By working with contractors, we want to ensure that provincial enterprises have access to contracts and subcontracts. The industrial offset agreement signed with Mitsui Inc. following a major equipment purchase by NB Power represents the approach we intend to follow on behalf of New Brunswick companies.

A second, similar agreement has been reached between NB Power and Combustion Engineering Limited regarding the use of New Brunswick firms for subcontracting and procurement in the development of the northern thermal generating station. (The proposed Belledune site is currently undergoing an environmental impact study.) Thirdly, as

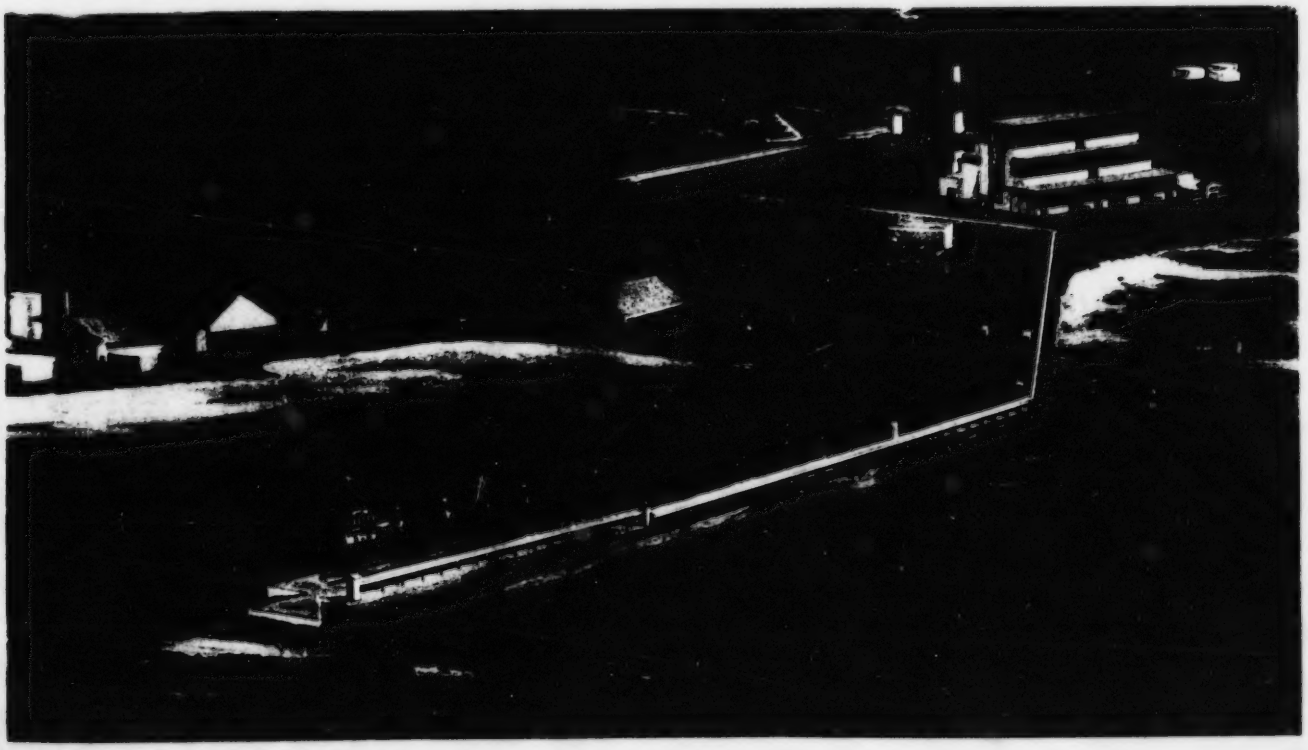
an important user of Unisys mainframe computers, the province has worked with Unisys Canada Inc. to transfer its national phone-in service centre to Fredericton. The province will benefit, as well, from Unisys' partnership with the locally based Universal Systems Ltd. in marketing that firm's geographic information system (CARIS) to the world.

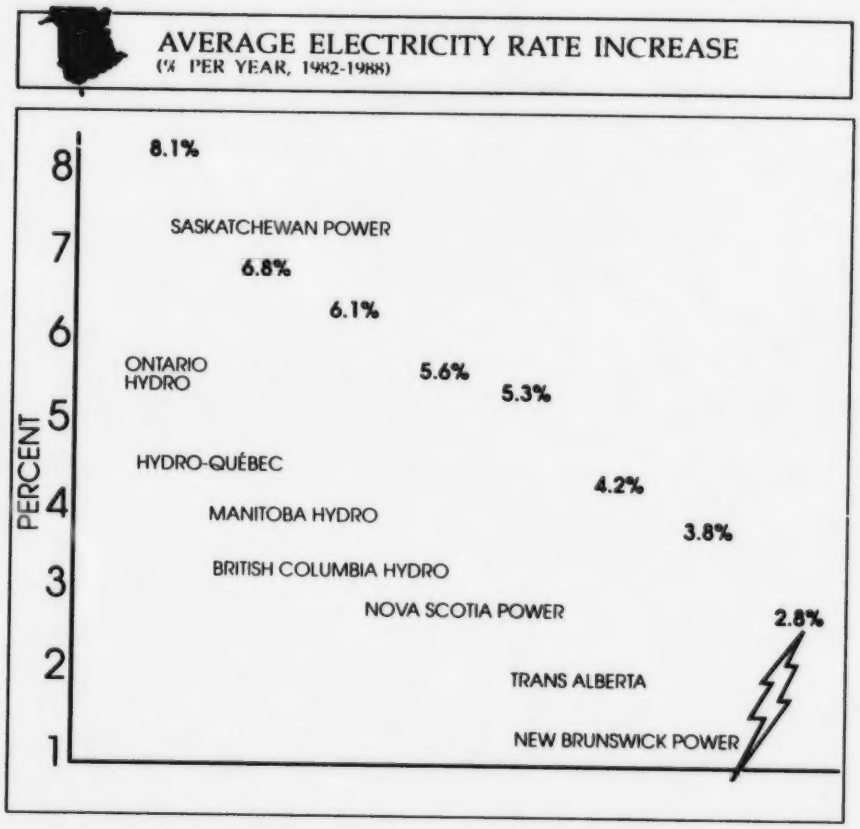
Sponsors of major provincial projects will expect our provincial firms to be competitive in every way, including offering first-rate skills, quality products and services, reliable delivery, and supportive after-service. Accordingly, we plan the following actions:

We intend to make our training programs responsive to the demands for specialized courses. We shall have our Government industrial relations staff work with contractors and labour groups to promote labour-management co-operation on large projects. And we shall encourage companies to develop their expertise by adopting quality assurance standards and strategic equipment upgrading — an effort that will be supported by improvements within our research organizations. A task force on quality assurance in New Brunswick companies will be established. With cooperating companies, we shall promote our expertise in search of other contracts in national and international markets.

2 Reliable and Reasonably Priced Electricity

Electricity costs in New Brunswick are currently well below those in the neighbouring American states. They are also somewhat lower than in the other Atlantic Provinces and have been approaching those of the prov-





inces west of us. NB Power has not increased power rates for the last four years.

To maintain our competitiveness, we must contain increases in power costs. One way in which we can do this is by enhancing the power grid among ourselves, Quebec and the New England states. In a few years, the combination of contracts NB Power already has, plus higher prices at competing suppliers, will provide New Brunswick with a firm basis on which to compete for more business in the United States, allowing us to enjoy the economies of scale in our generating units and attractive power rates for New Brunswickers.

Meanwhile, we shall develop a new generating capacity with an eye to providing an optimal cost base for the future. Current projections are that an additional 1000 MW will be required over the next 10 years for domestic consumption alone. This will increase if new U. S. sales can be negotiated. This development would create more than 7500 construction-related jobs.

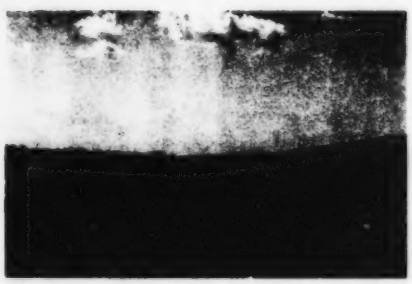
We also intend to continue to explore ways to diversify our fuel supplies. Alternatives include coal, orimulsion, and wood. But, to use these resources, we must come up with methods that allow us to apply new energy technologies while also meeting our commitment to comply with national emission standards and schedules. We are seeking federal financial support to find ways of reducing emissions from Grand Lake coal resources; this will allow us to continue reaping the benefits of coal-related employment without endangering air quality. Also required will be a carefully structured regulatory process and a continued emphasis on productivity.

3 Upgrading the Provincial Highway System

Major improvements are planned for New Brunswick's arterial highway system, which carries up to 70 per cent of vehicle traffic outside urban areas. It is expected this process will create 3000 direct and indirect jobs yearly while ultimately giving New Brunswick a much better highways network.

Current studies identify the need for about a $2 billion investment in upgrading New Brunswick's arterial highway system,

including the Trans-Canada Highway. Significant portions of the arterial highway network must become divided four-lane highways. Specific revenues earned under the Gasoline and Motive Fuel Tax Act are being dedicated to this purpose, the first time a Canadian province has taken this innovative approach to highways development. The trust fund thus established represents genuine progress in addressing the need for highways upgrading.



Our Government will also respond to further development of our industries, such as those in mining and forestry, and continually analyse the need to upgrade secondary roads. Attrition of railway service, deregulation of trucking, and the possible fixed link between New Brunswick and Prince Edward Island are all important additional reasons for improving the quality of our highway system. So are safety and social well-being. Recognizing this, our Government will emphasize safety and high standards in all highway planning.

4 The Vitality of Our Urban Municipalities

Our Government will adopt a comprehensive urban development policy. Aimed at providing the resource base necessary for social and economic development within our communities, the policy will emphasize strategic investments in business infrastructure. These will help furnish a positive investment climate within the business community and enhance New Brunswick's image as a place to invest and do business.

To help build on the existing resources of our larger population centres, the Government is continuing discussions on an urban economic development funding agreement with the federal government. Of the two major proposed program components, one would support strategic urban core development projects which help generate new business investment. The other would expand our Mainstreet initiatives and be designed to promote and upgrade business development areas in support of downtown revitalization. The Government itself can encourage growth in downtown cores through its new leasing and location policy. We shall also work with municipalities to develop long-range fiscal plans and emergency plans suited to each community.

5 Supporting Our Businesses

Wherever possible, we shall use the Government's procurement policies to help establish or expand New Brunswick businesses. As one example, the advertising budget of the Department of Tourism, Recreation and Heritage, representing nearly $2 million in business, is available to provincial companies for the first time.

So that as many New Brunswick firms as possible have the opportunity to compete for business, we will work to improve our policies on the timing, size, and specifications of purchase orders and tenders. Municipalities, school boards, and hospital boards will be strongly urged to follow the same policy.

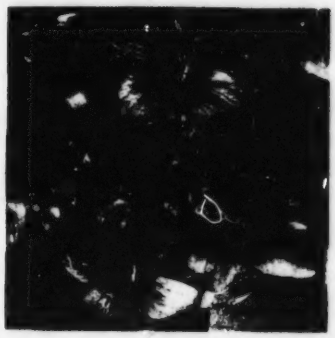
We shall also identify the types of goods and services not now locally produced but which are forecast to be required within the province on a recurring basis. This information will be made available to our entrepreneurs. For example, the potential exists for directing to New Brunswick industries a large part of the nearly $100 million the health system spends annually for supplies and materials.

A new Government initiative regarding geographic information systems is being implemented with the specific intent of creating business opportunities in the private sector. We have

designated for use by all Gover ment departments a state-of-the art integrated "land information system" developed here in New Brunswick. The use of this indigenous technology, CARIS, illustrates how the selective use Government support will assist New Brunswick firm in develop ing the base to become internationally competitive.

Enabling our small businesses to have access to the purchasing requirements of large agencies and corporations is a positive step towards fostering small business growth. Our departments of Supply and Servic and Commerce and Technology in conjunction with NB Power and NBTel, are working togethe through conferences and other avenues to promote to the small business community their purchasing requirements of goods and services. ❑

Enhancing Our Environment and Natural Resources



Managing Our Resources

Since our beginnings, New Brunswick's natural resources have been the basis of our livelihood in this province, and they are likely to remain so in the future. But for our resource industries to remain healthy, we must strengthen our exploration and development activities and build on past efforts to protect, conserve, efficiently harvest, and develop our renewable and non-renewable resources.

Proper management of our forests, which cover 85 per cent of New Brunswick's land area, is essential. Resource programs and incentives must exist to permit and encourage all owners of forest tracts — government, industry, and individuals — to practice forest management. Similarly, we must manage all of our other resources so as to obtain maximum economic benefit from them without compromising their long-term sustainment or our quality of life. Substantial economic opportunities for the future exist among all of these resources — in agriculture, the fisheries, land management, mineral production, and tourism — but we and our children will realize the benefits of these opportunities over the long term only by adopting a conservation ethic and tending the rich natural heritage of New Brunswick with utmost care.

Sustainable Economic Development

The challenge we face is to break out of the traditional mold and use our human and natural resources in ways which recognize the realities of the 1990s and the 21st century. We believe the people of this province will no longer support an economic development strategy which has the ultimate effect of increasing environmental risks and lowering the quality of life for future generations.

The concept we must apply in future is sustainable economic development, which seeks to build long-term prosperity through a deep understanding and respect for the need to balance the desire for economic progress with the need to maintain a healthy environment. It requires us to ensure that the ecological impacts of economic activity do not weaken our collective ability to sustain it or damage the quality of life our citizens have a right to expect. If we are successful in applying this concept, we shall maintain and enhance our existing resource sector activities while attracting new investment and development.

The Premier's Round Table

Sustainable economic development requires the public and private sectors to make decisions that reflect a genuine commitment to balance the economic and environmental aspirations of all New Brunswickers.

For Government's part, all of our agencies engaged in stimulating economic activity in New Brunswick must adopt sustainable economic development as an underlying philosophy, and it must help guide our future planning.

It is also important to involve all New Brunswickers in charting an implementation strategy for sustainable economic development. Toward that end we have already created the Premier's Round Table on Environment and the Economy. Evolving out of recommendations which followed publication of the final report of the World Commission on Environment and Development, the so-called "Brundtland Report," creation of the Round Table, which comprises senior decision-makers with expertise in environmental and economic issues, has set in motion the work needed to guide New Brunswick in implementing an ambitious sustainable development strategy.

THE GUIDING PRINCIPLES

1. New Brunswick must embrace the concept of sustainable economic development.
2. Resources must be managed for the best economic benefit obtainable without compromising the long-term sustainment of those resources or our quality of life.
3. To increase the economic benefits that can be realized from our resources, we must strive to do more processing within the province, thereby adding value to our products.

Adding Value to Our Products

One way in which New Brunswick can derive greater benefit from its resources, and indeed the primary source of new resource-based opportunities in the face of growing world competition and new technologies, is by increasing the amount of processing done here. With the arrival of freer trade and a tariff-free North American economy, New Brunswick is well situated to add further value to our large exports of primary resources. We can move from making pulp to manufacturing coated paper, from shipping fish to selling prepared meals.

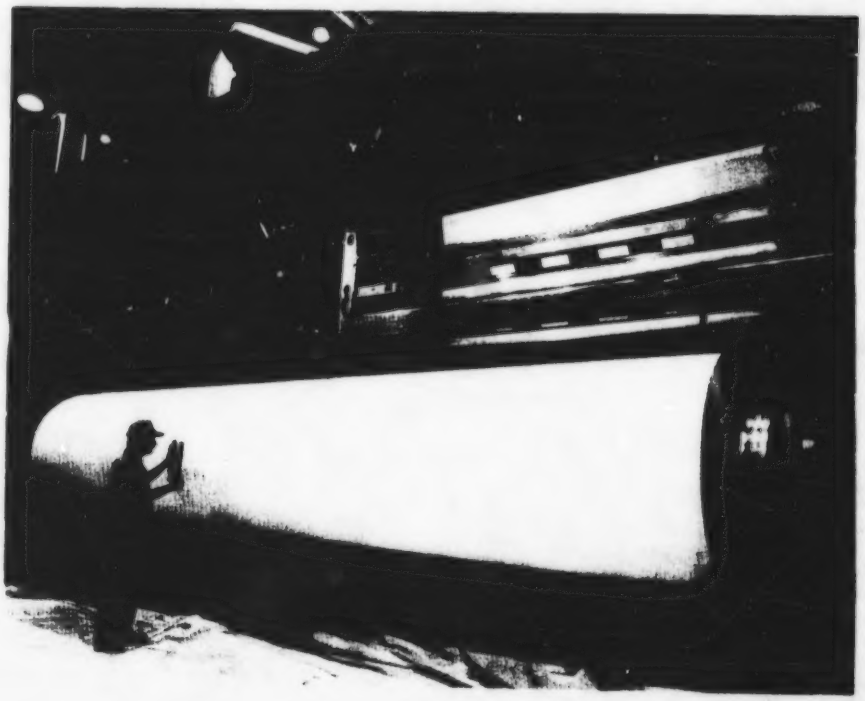
The Free Trade Agreement will abolish all remaining tariffs,

especially on finished products, over the next nine years. These changes will present our firms with many new opportunities to sell finished or further-value-added products to the United States. At the same time, our firms will lose their tariff protection on some products and must adapt by increasing their competiveness.

The New England-New York market is one of the largest and richest markets in the world and already attracts the majority of New Brunswick's exports of primary products. The fact that we are world competitive for these products should provide us with a competitive advantage in adding further value through increased processing to our fish, forest products, minerals and agricultural products.

Other world-wide factors having an impact on our firms must be recognized. For instance, demand is shifting away from commodity products to higher value, higher quality products. Improvements in paper-making technology are reducing the need for softwood pulp and allowing greater use of short-fibered, hardwood pulps. Even market pulp is becoming more of a semi-commodity as product development, quality, and service gain importance and alter competitive positions. Moreover, former commodities such as newsprint are beginning to take on a semi-commodity look, as upgraded products like the brighter "improved news" increase their market share.

There are many examples where our firms have been in the forefront of Canadian development. These include: Production of thermo-mechanical pulps, which enhances the utilization of softwood resources and allows the incorporation of hardwood resources while minimizing the environmental impact of such plants; the production of light-weight coated paper, which adds higher value to two previously unprocessed New Brunswick pulps for a tariff-free U.S. market; the modernization of plants producing tissue products, and corrugating medium, both items which will face increasing competition because of tariff removals.❑



Our Agenda for Action

In implementing a strategy of sustainable economic development, the Government of New Brunswick will take the following actions:

1 Restoring and Maintaining Our Environment

Creation of the Premier's Round Table on Environment and the Economy has begun a process aimed at developing a Conservation Strategy for New Brunswick. The Government has made it clear that the sustainable economic development strategy should reflect the needs and desires of New Brunswickers. Accordingly, the Round Table has been asked to advise the Government on the issue of public consultation regarding the Conservation Strategy. Not only will the strategy lead to changes in how government makes economic decisions, but it will also provide guidelines for the conservation and wise use of our natural resources.

Our current generation has inherited an environmental deficit in the same way that we have inherited a financial deficit. As outlined elsewhere in this document, our Government has committed itself to fiscal responsibility and the principle that we pay as we go and do not transfer our financial debt to our children. Similarly, we intend to ensure that government, industry, and individuals exercise environmental reponsibility so that our legacy to future generations is a clean and healthy environment providing the essentials of a good life.

Among the actions we are taking in this direction are the following:

- By means of the new Clean Water Act, we shall more effectively manage and protect the water resources of the province. Monitoring and protecting public supplies of drinking water will be strengthened, and a water classification system is being introduced. Enforcement of the Clean Water Act will be based on the principle that the polluter pays.

- The Government is re-evaluating the penalty structure for offences against the environment generally with the idea of creating a stronger, more active and decisive approach to enforcing environmental law.

- The Special Legislature Committee on Social Policy Development will produce a report dealing with the problem of beverage containers. Our Government is seeking a comprehensive approach to container management that will include recycling, litter control, and public education programs on all aspects of solid waste management.

- Through its policy on chlorofluorocarbons (CFCs), the Government will ensure New Brunswick does its part to protect the ozone layer.

- The Government will establish a formal consultation mechanism with city officials to address Saint John's air and water environmental problems. Similar committees are already in place for the Miramichi River.

- The Government intends to encourage the purchase of environmentally-friendly products such as recycled or biodegradable materials and energy efficient products.

- We shall establish a process to bring rural land under a planning framework which emphasizes multiple land use, and we shall develop a regulatory approach to limit losses on provincial flood plains. This comprehensive approach will safeguard our rural lands from unplanned urban sprawl and ensure proper allocation for industrial parks, highways, and waste disposal.

- The Government has established a Cabinet Committee on the Environment, co-chaired by the Premier and the Minister of Municipal Affairs and Environment, in order to focus attention on environmental matters and ensure that environmental concerns are at the heart of government decision-making.

2 Expand Markets for Manufactured Resource Products

The disappearance of tariffs on all manufactured products as a result of Canada-U.S. free trade will allow further processing of our resources in New Brunswick. Examples of the opportunities inherent in additional processing are the tissue plants in Saint John and Moncton, which will create 100 direct jobs, and the Miramichi Pulp and Paper plant which produces finished paper.

Other opportunities exist — markets, technology and potential joint venture partners, which can be identified for our resources and entrepreneurs. The Department of Commerce and Technology will identify new processing opportunities, and the Research and Productivity Council will identify the appropriate technology to help realize these opportunities.

3 Better Management of Our Forests

Our Government intends to negotiate a new sub-agreement under the Economic and Regional Development Agreement to continue and reinforce programs for woodlot planning, site preparation, planting, tending new plantations, thinning existing stands, and providing nursery stock. By so doing, we hope to increase the supply of softwood above current levels. We also hope to provide significant new employment opportunities through reforestation.

We shall stress research into forest protection and silvicultural development, including being at the forefront of computer methods to maintain an accurate forest resource data base.

Small woodlot owners have the potential to increase their share of our primary wood supply from the present one-quarter to one-third. To help them reach this goal, we intend to increase spending for woodlot silvicultural programs which will apply not only to woodlots currently being worked, but also to those whose owners are not now managing them.

There is considerable benefit to be gained from the fullest possible and most effective use of our primary resources. The Government is providing a significant example of this in its request for proposals from the private sector to build, own, and operate a 25MW wood-fired power plant in the Sussex area. Although the Province recognizes that the cost of wood-fired electricity generation is in excess of that from larger, more conventionally-fueled plants, it believes that forest management benefits and other socio-economic factors may offset the additional costs.

4 Fish and Wildlife

The abundant fish and wildlife in our streams and forests are a heritage and renewable resource we enjoy and sometimes take for granted. They also generate significant economic benefits by attracting visitors, who have long been coming to New Bruns-

wick for hunting, fishing, whale-watching, bird-watching and other activities. Many rural communities have benefited economically over the years. Now more than ever we must not take these resources for granted. They and their habitats must and will be protected. Their full potential will be developed while at the same time they are nurtured to the full benefit of generations to come.

5 The Crown Lands

One of our most important natural resources is the land itself, particularly the Crown lands. Comprising about half the forest land in New Brunswick, the Crown holdings provide much of our timber, wildlife and recreation areas, and include the headwaters of our major rivers.

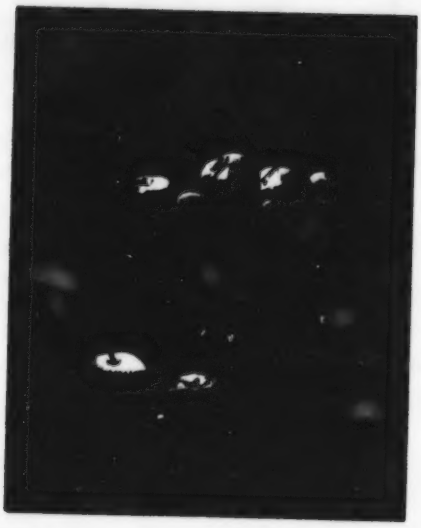
The Crown lands must obviously be managed carefully for our present and future well-being. Using them more intensively to produce increased income and more jobs in our rural areas will have to be balanced against the need for conservation. Toward that end, a comprehensive land use policy will be developed to ensure that our Crown lands provide the best long-term economic and social benefits to our people.

6 Opportunities in Agriculture

Many areas of New Brunswick agriculture have produced successes and have a healthy outlook for the future. One that shows particular promise is horticulture. Our land base and climate are well-suited for many crops which were previously excluded from the eastern U.S. markets because of high tariff levels. With the removal of these tariffs over the next decade, we have the opportunity to increase horticultural production in key areas.

To increase production and improve farm viability, our Government is pursuing an Agri-Food Development Agreement with the federal Government to fund a range of programs encouraging market development, improved technology, human resource development, and soil conservation.

New Brunswick has traditional strength in the food proc-



essing sector. It offers substantial markets for agricultural production, and represents an excellent way to add value and bring about economic development.

To this end, we plan to implement a comprehensive food policy, encompassing agricultural as well as fish products, which will guide our efforts to encourage the efficient and competitive production of food products in a free trade environment. To expand markets at home and abroad, we shall place particular emphasis on the importance of products quality. An interdepartmental working group is actively preparing recommendations for this policy, and their findings will be brought forward in the near future. Meanwhile, we shall place priority on co-ordination of the efforts of provincial departments, the Research and Productivity Council, the Centre de Recherche sur les Aliments at the Université de Moncton, other universities, and the federal Government to add maximum value to our products.

7 Enhancing Our Traditional Fishery

Because of its export volume and regional impact, the New Brunswick fishery is one of our important industries. We intend to make it even more important by:

- Promoting fleet rationalization and market-specific harvesting.
- Promoting good stocks management practices.
- Taking steps that will maintain our share of national stocks and expand provincial activity on high seas fishing banks.
- Using more of our underutilized fish species.
- Strengthening the processing sector by promoting industry rationalization so as to improve access to this limited resource, improve product quality, and enhance the financial viability of our fish plants.

8 Aquaculture — A Promising Opportunity

Through the recently restructured Department of Fisheries and Aquaculture, our Government will place increased emphasis on the rapidly growing aquaculture industry. This year the harvesting of salmon is expected to reach a volume of 4200 tonnes and a value of nearly $60 million; about 450 people work directly or indirectly full-time in the industry on the Bay of Fundy. By the year 2000, salmon production is expected to quintuple, and there will be a commensurate increase in employment.

To support our aquaculture industry and its development in the Fundy and Eastern coasts, our Government will undertake research and development in this important area. We shall also make aquaculture a major component of our Fisheries Development subsidiary agreement proposal.

9 Maximum Benefit from Mineral Resources

Mineral development and production have grown impressively in recent years and hold much promise for the future. To derive maximum benefit from these resources, the Government will design programs for industry that will help identify new deposits, develop known deposits, and strengthen existing mines.

These programs will include:

- Training programs for prospectors in order to encourage more exploration.
- Increased geoscience surveys to provide basic geological information for exploration.
- Incentives for prospectors and junior mining companies to foster increased exploration.
- A revision of the potash exploration policy to allow greater potash exploration and development.

Taking these new initiatives will result in greater opportunities to establish new gold, base metal, and potash mining operations.

One of New Brunswick's most significant unprocessed mineral exports is zinc concentrate. In addition, a number of deposits are not mined because of their limited size and complex nature which make them uneconomical to process with present smelting facilities.

New technologies being developed by the Research and Productivity Council, Canmet and others, coupled with the reduction of significant tariffs on zinc going into the United States, appear to make a long-sought zinc reduction plant for New Brunswick considerably more attractive. While recognizing the complexity of such a project, the Government will renew efforts to see a zinc reduction plant built here. Any such plant would have to meet stringent environmental standards.

In a continued effort to strengthen and diversify the mineral sector in New Brunswick, the Government plans to negotiate a new minerals development agreement with the Government of Canada. Our priorities for this new agreement include funding for further work in geoscience and assistance to mining and processing companies, research and development in metallurgical problems, opportunity studies and technical advice to the industry. ❑

Equity in Regional Economic Development

Putting Our House in Order

The concept of regional development is not new. Promoting the development of Canada's regions, and reducing the disparity separating them, has been a priority for successive federal and provincial Governments since the early 1960s. It involves two fundamental issues:

- Providing equitable public services to all regions.
- Achieving equitable economic development in all regions.

Unfortunately, despite nearly 30 years of seeking corrective actions, and despite many successes, governments have not yet eliminated regional disparity. It is still a fact of life in the nation — and in New Brunswick: just as differences in economic conditions exist among regions of the country, so too do they exist among regions of this province.

And the dilemma for New Brunswick is this: how can we ask for the aid and understanding of the nation if we ourselves do not live by the principles of equity and fairness? Clearly, our challenge must be to deal effectively with regional development issues within the province and ensure

that there is equal access to government services throughout New Brunswick.

Equitable Treatment

Three decades of experience have taught government that the regional development process is inherently long-term and demands sustained effort. Ad-hoc, short-term interventions without a wider plan of action will do little to alleviate the problem. Government will make progress through its policies, but fundamentally it will be New Brunswick's entrepreneurs, community leaders, and dedicated workers who will achieve success in regional economic development.

Implicit in our Government's approach to regional development is an understanding that circumstances vary from region to region in New Brunswick and that not all areas of the province will be able to develop at the same rate or in the same manner. We intend to build on regional strengths and development opportunities identified by coherent planning and analysis. We shall make our policies and programs flexible and sensitive to regional circumstances, priorities, and opportunities.

We must eliminate parochialism and competition within regions because they are self-defeating. Overcoming disparity will depend on consensus and cooperation. Developmental measures will have to be well thought out, realistic, coordinated with each other and with other measures, and truly additional to other current efforts.

The Government will establish a partnership with the regions. A new approach to regional development will provide the regions with the option of embarking with government on an exercise leading to definition and the setting of priorities in their development needs. It will be based on dialogue, consultation, consensus-building, and cooperation between the Government and citizens of all regions as equal partners.

THE GUIDING PRINCIPLES

1. There must be improved communication and dialogue between government and the public.
2. Balanced development must be achieved through consultation and be based on community and regional circumstances, priorities, and opportunities.
3. Equitable access to public services and economic development must be ensured for all regions of New Brunswick.

A Public-Private Partnership

New Brunswick's full potential can only be realized if government, citizens, businesses and communities all contribute to the province's betterment. The need for partnership becomes clear when we consider the breadth of issues awaiting us as we move into the future. Obviously, great benefit can be gained from approaching issues jointly rather than separately.

Our Government understands that one of its roles is to lead by example, and this we intend to do in all areas of government activity. We intend to

see that the province's finances are managed properly and that deficit financing does not become an inhibitor of development. We are determined to show similar leadership in such areas as environmental protection and labour relations, where government actions with respect to affirmative action, pay equity, and fair bargaining practices must serve as a model in all regions.

We believe that the success of regional development initiatives will also be more directly related to the degree of involvement by community leaders and the community generally. The partnership with the provincial Government will lead to better priorization and focus for our economic development efforts at the community as well as the regional level.

Another important partnership is with the federal Government. With Ottawa, we shall strive for a coordinated approach which emphasizes long-term goals and maximum positive impact from cost-shared initiatives. We are setting our sights on employing these initiatives in a way that will serve as an example for the nation and the world. ❑

Our Agenda for Action

1 Providing an Effective Communications Process

As part of our plan to improve communications and strengthen the public-private partnership, the Government plans the following steps:

- We shall support and participate in economic development consultations involving all interested regions of the province.
- The role of the Regional Economic Development Commissions throughout the province in making advice and assistance available to entrepreneurs will be reinforced as a result of $9 million in new funding arranged through the Government of Canada.

2 Coordinated Regional Development Initiatives

In any regional development effort, there is always the risk that the approach can become fragmented. To avoid this problem, the Regional Development Corporation will become the coordinator of public sector and publicly sponsored activities related to regional development. This will ensure that our Government's policies and programs have the most positive possible regional impact.

3 Regional Development by Consensus

Proper regional development requires that the citizens of a region, the people who have the greatest stake in development, have the opportunity to choose the social and economic futures that are appropriate for them, their values and strengths.

Toward that end, our Government, in its proper role as catalyst and facilitator, will help our regions define their regional development goals. We shall

engage in an ongoing dialogue with the regions concerning their economic development.

4 Regional Roadmaps for Development

The Government will assist in the preparation of regional and sub-regional profiles identifying needs, strengths, and opportunities inherent in the regions. The type of support provided will be similar to that involved in other recently completed government studies, such as the regional economic strategies, the Savoie Report on the fishery, the Bathurst waterfront development plan, and the study of the Huntsman Marine Science Centre in St. Andrews.

5 Equity through Workers' Compensation

New Brunswick has a workers' compensation system that gives it advantages over surrounding jurisdictions. Over the past year, the system has been adjusted to provide an affordable program of wage reimbursement and service to workers injured in the course of their employment. We shall continue to encourage the review of the WCB rate and benefit structures so as to maintain this delicate balance.

Appointments to the board will continue to give fair representation to employees, employers, and government. The move toward the delivery of a fuller range of services at the regional level will continue. A pilot project will be established to serve the three northeastern counties. Many of the services now delivered in Saint John will also be available from the Bathurst regional office, and the WCB will seek as well to buy and develop services in other communities throughout the Northeast. If successful, the experience will be used to expand the concept into the Moncton and Edmundston offices within the next few years.

6 Catch-up in Northern Health Services

A serious gap in health services developed over a number of years between the north and south of the province. The range of services in northern hospitals was, in general, considerably less than comparably sized hospitals in the south. This resulted, in part, from the higher population and stronger economic base of southern hospitals. This made it easier to attract health professionals.

The objective of our Government's policy of catch-up in health services is to achieve equitable access to services. The policy will mean that, subject to the limitations of population, citizens in the northern part of the province will be able to receive most needed services at the nearest regional hospital. There will be reduced need to travel out of the region or to the south, except for a few highly specialized services that will still only be possible to provide in one or two locations in the province.

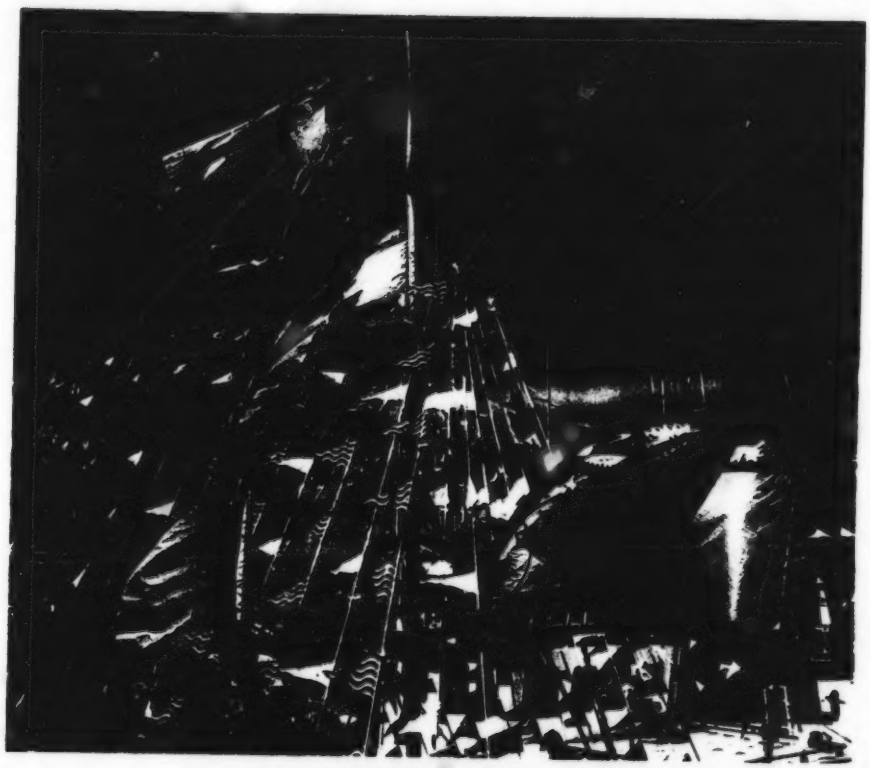
In 1988-89, the Government set aside $10 million for the catch-up program and a further $10 million is being allocated for 1989-90. A probable side effect of the northern service development initiative will be increased economic activity due to more health sector employment and the supply of a variety of goods and services to an expanded hospital system.

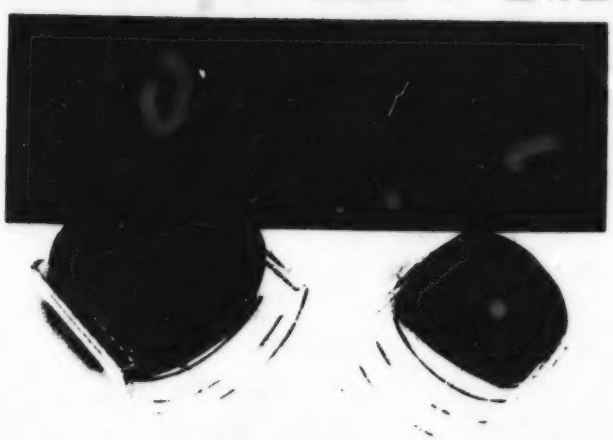
7 Funding for Development

The New Brunswick Government intends to conclude new Economic and Regional Development subsidiary agreements with the Government of Canada to address the supplemental needs of various sectors of the economy where development opportunities have been identified.

We shall also be pressing for cost-shared assistance for other special measures to be applied in areas of the province with particular economic and social circumstances and needs. ❑

Projecting the New Brunswick Identity





Our Identity Challenge

Although often described as Canada in microcosm, New Brunswick remains one of North America's best-kept secrets. Surrounded by some of the continent's most beautiful beaches, the world's best Atlantic salmon rivers, abundant wildlife, excellent family recreational facilities, and splendid scenery, New Brunswick is a jewel still largely undiscovered. Our people themselves are appealing by virtue of their tradition of independence and self-reliance, and their multicultural backgrounds, which include Aboriginal, Acadian, Irish, British, Loyalist and Danish.

For all that, however, we New Brunswickers do not seem to have a clear picture of ourselves. Until we do, we cannot expect others to identify readily with our province, its products and attractions.

Accordingly, our Government will address itself immediately to the matter of the province's image and how best to market ourselves to others. To build confidence among our citizens, attract investment and tourists, and compete in international markets with our goods and services, we must tally up our assets and resources, capture a sense of ourselves, and effectively communicate all of this to the rest of the world.

Developing a Common Theme

Fierce competition in a global economy requires government and industry to be sensitive to market trends, which are changing constantly. Market research is essential. Industry and government must be able to forecast market shifts. And we need to know our position in the marketplace.

The province must develop a common theme to promote itself at home and abroad. This theme must recognize the resources, both natural and human, which have built New Brunswick: the sea, our rivers, the land, our people, our cultural diversity. The theme must also reflect the fact that we are modern, technologically advanced, and capable of competing in a modern world. Together we must rally behind the special essence of our appeal. This, in itself, will ensure greater confidence, understanding and unity among New Brunswickers.

The way we live, work, express ourselves and spend our leisure time is the envy of many. The quality of life that surrounds us is exceptional. We have much of which to be proud. It's time we told the rest of the world about us, that we are a land of spirit and vision, with a healthy economic environment, a strong commitment to free enterprise, a welcoming attitude to new ventures, and a highly enviable way of life.

THE GUIDING PRINCIPLES

1. New Brunswick is rich in history and blessed with diverse cultures and two strong linguistic communities. It also has splendidly attractive physical features which further help to make the province, its products and attractions, eminently marketable throughout the world.

2. We must, however, better define our identity and present a sharper, clearer image of this province to our visitors, potential investors, and trading partners.

3. We must strengthen our own people's sense of themselves and their pride in New Brunswick.

Refining and Marketing Our Identity

As we seek our share of world markets, New Brunswick must no longer promote itself and its products with a diverse collection of slogans and approaches. Instead, following extensive market analysis and research, we must develop and adopt a central promotional theme that is sensitive to our people and products.

Once this promotional theme is developed, the Government will undertake a broad-based marketing and promotional campaign to present the new image of New Brunswick. This image will portray quality, pride and confidence. It will encourage New Brunswickers to get to know each other better, to be loyal to locally produced goods and services, and to help create a vibrant small business economy.

Canada's membership in both the Commonwealth and La Francophonie presents New Brunswick with an enormous opportunity. As the only officially bilingual province in an officially bilingual country, we are uniquely equipped to market our goods and services worldwide. But to do so, our industries must accurately identify their market niches and offer products and services which meet the needs of those markets.

Our Government is convinced that our industries will meet this challenge. So will

Government, by adjusting our promotional efforts abroad to the new market forces. To maintain our place in export markets like the United States, Western Europe and Pacific Rim countries, and to win new markets, we will polish our corporate promotional image so that it reflects compellingly the quality we have in New Brunswick and the pride we have in it.

Our Tourism Industry

People with time and money to spend will be attracted to New Brunswick if we offer unique and interesting things to see and do. To attract visitors and encourage more in-province travel, we must encourage and develop fully our cultural and recreational industries. They are an integral part of the tourism strategy of New Brunswick.

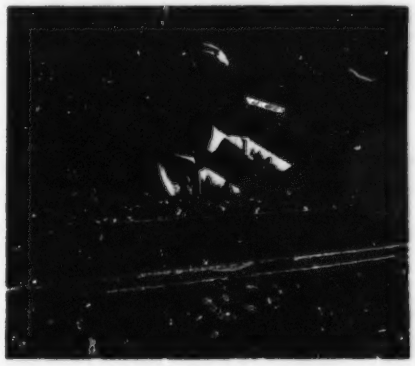
We have significant opportunities in our crafts industry, performing arts companies, historic villages, sport and recreational activities, culturally-based festivals and the untapped potential of our rich heritage. These opportunities are there for us to attract and keep tourists, but we must create and advertise unique holiday experiences.

Working with our partners in industry to enhance the quality of our attractions and to promote them forcefully, our Government will provide a vision of where we want to go, how we are going to get there, and the roles which are to be played by the various partners.

A Foundation to Build On

Lush countryside, splendid river valleys, vast forests, miles of shore-line, covered bridges, rolling farmlands, historic sites and a slightly nostalgic ambience all give New Brunswick its reputation as Canada's Picture Province.

We have other attributes. Our educational institutions are modern and well-equipped. Our labour force has a history of stability and high productivity. It can respond quickly to the needs of new industry. We have a solid base of research and development centres which support our industry.



New Brunswick has Canada's largest ore reserves of silver, lead and zinc. (We are the largest Canadian producer of antimony and bismuth, and we are second in the production of potash and peat.) We are home to the various Irving holdings headquartered in Saint John, and including pulp and paper, shipping, shipbuilding, oil refining and petroleum product distribution and sales. Our largest single source of agricultural revenue is dairy production, closely followed by potatoes. The world's largest producer of frozen potato products, McCain Foods Ltd., is based in New Brunswick. So is Canada's oldest independently owned candy company, Ganong Bros. Ltd. Our fishermen harvest more than 50 different species of fish and shellfish, and these are marketed worldwide.

We have large and secure sources of energy, and a strategic

location for energy transactions with New England and our neighbouring provinces. Our communications networks are excellent, and our geographic location gives us easy access to world markets. Our urban centres offer galleries, cultural centres, theatres, museums, sports facilities and specialty shopping.

This, then, is New Brunswick, a very good place in which to live, invest, work or tour as a visitor. By increasing its promotional efforts abroad and reflecting what an exceptional province this is, our Government will do all it can to make New Brunswick one of the options considered when an international manufacturer or financial services company seeks a North American location. We shall let the world in on our continent's best-kept secret. ❑

Our Agenda for Action

To research, create and market a new vision of New Brunswick, our Government proposes to take the following actions:

1 Refining Our Corporate Image

The Government will undertake the sophisticated market research and testing required to address the perceptions people have of New Brunswick, its people and products. A new corporate image will be developed and a communications strategy formulated. The objectives for the new image will be:

- to enhance New Brunswickers' sense of pride in their province.
- to provide the corporate sector with the tools to support sales of our goods and services, to promote tourism, and to attract economic development and investment from both domestic and external markets.

In cooperation with industry, the Government believes it will be able to select a theme that is representative of all New Brunswickers. Small businesses, for example, could adopt this theme and thereby benefit from the aggressive promotions in which the Government proposes to invest.

2 Marketing New Brunswick to Its Own People

As part of its new corporate communications strategy, the Government will undertake a campaign to make New Brunswickers themselves aware of the opportunities within the province. The campaign will promote pride in our province, discuss the rewards of entrepreneurship, emphasize the quality of products produced here, and describe the many support programs available to business.

3 Marketing New Brunswick to the World

Because of its export-oriented economy, New Brunswick's economic growth in the 1990s will

depend on the economic health of its trading partners, the effects of the Free Trade Agreement, and tax reform.

To maintain New Brunswick's market position, the Government will continue to promote trade for our companies and to attract outside investment to the province. An aggressive and integrated marketing campaign will be organized representing a broad range of New Brunswick goods and services. Projecting the province as an excellent place in which to live, work and invest, the campaign will encourage joint ventures, partnerships, and licensing opportunities for New Brunswickers.

In connection with our pursuit of export opportunities, the Government will develop a new mechanism to facilitate overseas trading. Among its reponsibilities will be to seek multiple benefits from overseas trade missions, including the potential for barter arrangements, and maintain close cooperation with national bodies so as to increase this province's share in and benefits from Canada's international development activities.

4 Tourism — a Renewable Resource

Tourism today embraces far more than travel, food and beverage provision, accommodations, attractions, entertainment, and other selected services. It also involves our culture, heritage, sport, recreation, meetings and incentive travel, and the natural environment.

New Brunswick's great appeal lies in who and what we are as people; our diverse culture and heritage; and the way we live, work, express ourselves, and spend our leisure time. Our challenge is to capture these elements of our lives and to communicate them to the marketplace, along with the allure of our landscape and seacoast, while at the same time ensuring that we have the infrastructure that will provide first class service to our residents and guests.

Increased demand for goods and services related to travel, leisure and culture naturally results in increased revenues. By focussing on these elements of tourism, our Government hopes to create new opportunities for the development and expansion of businesses and for greater employment in the private sector. In the near future, the Department of Tourism, Recreation and Heritage will table its own economic development strategy. It will encompass five major components: research and planning, product development, marketing, standards and training, and organizational support.

The tourism strategy establishes a framework for decision-making in partnership with the private sector so as to create and maintain an enhanced and sustainable quality of life.

During 1989, the Government will launch an action plan for development of the Fundy Trail, which we see eventually becoming a major attraction for tourists.

5 Promoting Our Smaller Industries

Government often sponsors trade shows here and elsewhere in Canada. These are valuable in helping businesses secure new contracts. We intend to improve the presence of our smaller industries at these trade shows. It is another way in which we can encourage economic development and help secure new investments.

6 Realigning Government Promotional Efforts

Government agencies are often called upon to organize special events designed to pro-

mote New Brunswick. In future, these events will be coordinated by various government departments, including Commerce and Technology, Agriculture, Fisheries and Aquaculture,Tourism, Recreation and Heritage, and Natural Resources, to ensure that the standards of quality inherent in the new communications strategy are adhered to. An interdepartmental committee of senior officials will oversee this policy.

7 Free Trade and New England

We intend to place increased emphasis on the New England market. That region's strong economy and the Free Trade Agreement have, we believe, created new opportunities there. We are opening an office in Boston to represent New Brunswick in industrial development and in the complementary areas of trade and tourist promotion.

Naturally our export promotion strategy must be scaled to fit our size and economy. We intend to develop closer ties with Canadian officials posted in the United States and to have a greater presence in Canadian export missions. We also plan to work cooperatively with the other Maritime Provinces in pursuing market opportunities in the U.S.

8 Economic Development from Abroad

The Government will pursue efforts to attract entrepreneur-immigrants, particularly from the Pacific Rim and Western Europe. These and other areas have willing entrepreneurs with the necessary know-how and capital to contribute greatly to our economic development. Such new Canadian entrepreneurs underline our appreciation of the varied economic and social contributions our multicultural communities now make to New Brunswick.

An investment promotion office will be maintained in Hamburg, West Germany, and efforts will be strengthened to seek more licensing and joint-venture opportunities for New Brunswickers. In addition, the Government will follow up on emerging opportunities in the countries of the European Economic Community and the Commonwealth.

9 An International Opportunity

The Department of Justice is currently studying the possibility of amending various statutes to provide the framework for establishing a Commercial Arbitration Centre in New Brunswick. This new direction could provide commercial interests with alternate dispute resolution mechanisms in the form of arbitrations and/or adjudications. We feel the expertise of our Law Society members and the availability of translation services in New Brunswick makes this a promising initiative.

Similarly, we hope to create a climate in New Brunswick which will attract International Trustee Corporations. An interdepartmental committee chaired by the Minister of Justice is currently examining the options for us to promote the establishment and maintenance of international trustee companies. Tangible benefits to New Brunswick from such a plan could include licensing fees, enhanced tax revenues, establishment of co-operative educational research chairs in fields of trusts and international planning, employment benefits, investment in the New Brunswick economy, and international recognition.

10 Our Linguistic and Cultural Assets

New Brunswick's two official linguistic communities are potentially one of our greatest economic advantages. New technology, for example, will facilitate translating technical documents and manuals. Lexitech Inc. of Moncton, recently formed to provide technical translations for the naval frigate program, is only the beginning of an industry that could combine our expertise in French and

English translation with technical innovation.

Another example is providing second language training to our citizens and to business and professional people from outside the province. This will create more income for our educational institutions which, by cooperating with the private sector, could develop and package community-based programs centered around language training.

The province also plans to strengthen its economic ties with the countries of Europe and La Francophonie, and, on another front, we hope to contribute our expertise and production to the hundreds of millions of dollars in aid Canada provides to developing countries through the Canadian International Development Agency (CIDA), the World Bank, and others. While New Brunswick firms such as Connors Bros. have been involved in CIDA projects, firms in central Canada have traditionally gained most of the contracts arising from CIDA's activities. Our aim will be to ensure that New Brunswick enterprises participate fully in CIDA projects. ❑

Conclusion

Life in New Brunswick today has much to commend it, especially when viewed in a world context. We live in an environment that is safe, pleasant and uncrowded, have access to most of the benefits of a modern technological society, and generally lead lives that would be the envy of the vast majority of the world's people.

There are areas where much remains to be done. We still have people who, because of a lack of schooling or training or other disadvantages, are unable to participate fully in the potential richness of New Brunswick life. The desire to draw more and more of these people into the mainstream is one of the fundamental tenets upon which this economic strategy is based.

Also implicit in the strategy's six major development thrusts is the Government's recognition that economic growth is essential to our collective well-being. No province or nation can stand still. Without economic development we cannot, for example, sustain and enhance the excellent social programs which make our society so attractive and distinctive.

The strategy also holds that small business and entrepreneurship are vital to the achievement of this economic growth. We need new ideas developed into new business opportunities by our entrepreneurs. Our future depends on their success.

Major improvements will also be required to our infrastructure network. Projects both large and small will depend on top quality infrastructure to ensure that the province realizes maximum benefits.

One of the distinguishing features of the strategy is the principle of sustainable economic development. It specifies that development take place without compromising our present quality of life or mortgaging our long-term future. Exciting possibilities also exist for adding greater value to our natural resource products as a key element of the Government's approach.

We hope that the strategy will be a rallying point for all New Brunswickers so that, in a spirit of teamwork and in the pursuit of excellence and regional equity, we can vigorously move toward an exciting and fulfilling tomorrow. In so doing, we will present a clearer, sharper image to the world based on our pride in our special identity built on two linguistic communities and rich history and cultural diverstiy.

It is incumbent upon our Government to provide the programs and structures to make possible this new New Brunswick, and this we are committed to do. But it is the people of New Brunswick, in concert with their Government, who will make the strategy work. ❑